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REPORT OF THE THIRTY-FOURTH REGULAR MEETING OF THE EXECUTIVE COMMITTEE

San Jose, Costa Rica

21-22 May, 2014





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Inter-American Institute for Cooperation on Agriculture (IICA), 2014



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MINUTES OF THE MEETING

**MINUTES OF THE THIRTY-FOURTH REGULAR MEETING OF THE
EXECUTIVE COMMITTEE OF THE INTER AMERICAN INSTITUTE FOR
COOPERATION ON AGRICULTURE (IICA)**

The Thirty-fourth Regular Meeting of the Executive Committee of the Inter-American Institute for Cooperation on Agriculture (IICA) was held in accordance with the provisions of the Rules of Procedure of the Executive Committee and resolution IICA/EC/Res. 579 (XXXIII-O/13) of that governing body of the Institute.

The following countries are members of the 2014 Executive Committee: Barbados, Brazil, Canada, Chile, El Salvador, Granada, Guatemala, Honduras, Mexico, Peru, Trinidad and Tobago and Uruguay.

PREPARATORY MEETING

0.1 *Opening of the session*

0.1.1 The preparatory session of the Thirty-fourth Regular Meeting of the Executive Committee was called to order at 8:45 am on May 21 2014, in the Sala Magna (United States/Canada rooms) at IICA Headquarters. It was chaired by Mr. Luciano Vidal, Coordinator of Advisors to the Under-Secretary for Food and Competitiveness of the General Secretariat for Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) of Mexico, who chaired the Thirty-third Regular Meeting of the Executive Committee.

0.1.2 In attendance were representatives of the Member States comprising the 2014 Executive Committee, with the exception of representatives from El Salvador and Peru, due to unforeseen circumstances.

0.2 Agreements

0.2.1 Election of Chair and Rapporteur of the Meeting

0.2.1.1 Representatives of the Member States on the Executive Committee unanimously elected Mr. Roland Bhola, Minister of Agriculture, Lands, Forestry, Fisheries and Environment of Grenada, as Chair of the Meeting.

0.2.1.2 It was then proposed that Mrs. María de Lourdes Cruz, Director of International Relations of SAGARPA in Mexico be elected to serve as Rapporteur. This proposal also received unanimous approval.

0.2.1.3 The Officers of the Meeting were as follows:

Chair:	Roland Bhola
Rapporteur:	María de Lourdes Cruz
<i>Ex officio</i> Secretary:	Víctor M. Villalobos

0.2.2 Agenda of the Meeting

0.2.2.1 Mr. Roland Bhola assumed his role as Chair and asked the Representatives to consider the provisional work program for the Thirty-fourth Regular Meeting of the Executive Committee including, document IICA/EC/Doc. 622 (14). The Representative of Canada proposed to include in the “Any Other Business”, an update on the status of the Colombia case. The provisional work program was approved and the requested amendment adopted.

0.2.2.2 The Chair informed the Representatives of the Member States of the Executive Committee that their folders contained working and information documents for the meeting, and that these had been made available to the representatives in electronic format from April 21, 2014 in both Spanish and English, via the online system of the Executive Committee.

0.2.3 Working Committees

0.2.3.1 It was agreed that no working committees would be established and that all topics would be dealt with in the plenary session.

0.2.4 Duration of the Meeting

0.2.4.1 The plenary agreed that the close of the Meeting would take place on Thursday May 22, 2014 at 15:45 hours.

0.2.5 Deadlines for submitting proposals

0.2.5.1 Wednesday May 21 at 16:00 hours was set as the deadline for submitting new draft resolutions.

0.2.6 Countries' right to vote

0.2.6.1 The Director General asked the Legal Advisor of IICA for an opinion regarding the scope and application of the rules governing the right to vote in meetings of the Executive Committee, in accordance with its Rules of Procedure and other relevant provisions.

0.2.6.2 The Legal Advisor explained the provisions of Chapter IV of the Rules of Procedure of the Executive Committee regarding the right to vote in meetings. He then confirmed that all delegations in attendance from Member States sitting on the Executive Committee could participate in the meeting with full rights.

0.3 Close of the session

0.3.1 The Preparatory Session of the Thirty-fourth Regular Meeting of the Executive Committee of IICA was adjourned at 09:15 hours on May 21, 2014.

FIRST PLENARY SESSION

1.1 *Opening*

1.1.1 The first plenary session of the Thirty-fourth Regular Session of the Executive Committee of the Inter-American Institute for Cooperation on Agriculture (IICA) began at 09:25 hours on May 21, 2014, under the chairmanship of Mr. Roland Bhola, Minister of Agriculture, Lands, Forestry, Fisheries and Environment of Grenada.

1.2 *Message from the Minister of Agriculture and Livestock of Costa Rica*

1.2.1 Mr. Luis Felipe Arauz, Minister of Agriculture and Livestock of Costa Rica, extended a cordial welcome to the representatives of the Member States of the Executive Committee and expressed his wish for all the objectives of the meeting to be met. He declared that agriculture was currently at a crossroads, since a portion of the resources that it required depended on oil and the price of this was constantly increasing.

1.2.2 He mentioned various inter-related challenges facing agriculture, including productivity, competitiveness, environmental sustainability, climate change mitigation, inclusion, the fight against poverty, food security, and competition from other activities for water resources.

1.2.3 He pointed out that in the agricultural systems and in providing services to agriculture, innovation and research must play a large part, as this will help reduce emissions from agriculture as well as from the production of inputs, improve the income and standard of living of producers and, generally speaking, effectively meet all the challenges related to agriculture.

1.3 *Welcome remarks from the Director General of IICA*

1.3.1 After extending a cordial welcome to the participants, the Director General expressed his conviction that agriculture possessed an enormous potential for promoting development and improving prosperity in the Americas. He indicated

that in order to remain pertinent, institutions must continue to evolve in order to respond to a changing environment.

- 1.3.2 He reminded participants of the principal objectives of the Executive Committee meeting: firstly, to provide the Institute with clear guidelines for responding to the challenges facing agriculture in the hemisphere and, secondly, to advance toward strengthening of the technical and financial capabilities of IICA. He declared that in order to unleash the full potential of hemispheric agriculture, all the countries, both jointly and individually, must significantly transform their agricultural sectors, and that the Institute was a key partner in this effort.
- 1.3.3 Next, he pointed to the persistence of the challenges mentioned in the IICA 2010-2020 Strategic Plan and the four major objectives proposed in it. He declared that the Institute's mandate was to provide quality technical cooperation, to manage its resources efficiently and to deliver results effectively. He indicated that, according to the Convention of IICA, it was the responsibility of the member countries to provide the institution with the necessary means to fulfill the mandates with which they had entrusted it. He reported that at the Seventeenth Regular Meeting of the Inter-American Board of Agriculture (JIA), held in Argentina, progress had been made in that regard. Indeed, Brazil and Mexico had made a commitment to provide the Institute with greater financial resources and urged the other Member States to join this initiative.
- 1.3.4 Finally, he invited those present to discuss openly the proposed Medium-term Plan for the period 2014-2018, since this plan needed to reflect the needs and priorities of all the member countries. He therefore urged the representatives to adopt measures that would transform IICA into the strong and solid institution that everyone needed.
- 1.4 *2014-2018 Medium-term Plan (MTP)*
 - 1.4.1 The Chair invited the Director General to outline the principal elements of the proposed Medium-term Plan (MTP) of the Institute for the period 2014-2018.
 - 1.4.2 The Director General explained that technical cooperation agencies such as IICA needed to adopt a series of principles that enabled them to provide cooperation with efficiency and effectiveness. He pointed out that the first was measured by the rational use of the resources that the countries assigned, and the second,

by the results that were delivered and could be verified by the countries. He justified the trend that was proposed in the Institute's cooperation model, as well as the need to strengthen its technical and financial capability in order to respond effectively and efficiently to current and future challenges.

- 1.4.3 He explained that the problems facing agriculture were complex and did not occur in isolation, which meant that their solution required integrated and articulated responses at the hemispheric, multinational, and national levels. He emphasized that the 2014-2018 MTP attempted to concentrate and take better advantage of IICA's capacities in the areas in which it provided cooperation. To this effect, the proposed MTP focused on the achievement of greater integration and synergy of technical resources and better use of financial resources. The MTP was therefore aimed at strengthening the "results-based management".
- 1.4.4 Next, he stated that that was the framework within which the IICA "contributions" fell; they complement the efforts of the Member States with respect to achieving the four strategic objectives established in the IICA's Strategic Plan of IICA for 2010-2020. He explained the relationship that existed between the IICA "contributions", those of the other actors, those of the Member States themselves and the "transformations" which these contributions are expected to achieve.
- 1.4.5 He indicated that the Institute would continue to promote innovation in agriculture, modernization of plant and animal health services, making agricultural markets and the agribusinesses of small- and medium-sized dynamic producers and link them to value chains. He emphasized the need to promote agriculture that was sustainable and capable of adapting to climate change, with modern risk-management tools, as well as the need to promote sustainable management of natural resources, particularly water and soil. He stated that all these actions contributed to improving food security. Further, he mentioned the "institutional emphases", which are the topics that IICA will address through all its activities: innovation, comprehensive water management, family agriculture, and inclusion of women and youth.
- 1.4.6 The Director General went on to explain the key element of the new cooperation model: the flagship projects, which include the resources, functions and instruments that IICA possesses in order to address the major challenges of agriculture in an inter-thematic manner and in diverse areas, within a framework of medium-term projects that can deliver results efficiently and effectively. He informed the meeting that the following flagship projects were being

formulated: “Competitiveness of agricultural chains”, “Inclusion in agriculture and rural territories”, “Resilience and management of risks in agriculture” and “Productivity and sustainability of family agriculture.” He explained that these projects would be consistent with the “results-based management” approach, and would include a system of indicators to measure and evaluate their progress. He added that, in order to ensure flexibility in IICA’s response, there would be instruments such as the rapid response actions, the Technical Cooperation Fund and projects financed with external resources.

1.4.7 He ended by indicating that the Institute was open to serving as a vehicle for initiatives that strengthened technical cooperation, and gave a report on the achievements of the fellowship program financed by the Government of Mexico, which had benefitted 99 students in 2013, and for 2014, had so far admitted 51 candidates to institutions of higher education in that country.

1.5 *Presentation by the Director of Management and Regional Integration*

1.5.1 The Director of Management and Regional Integration of IICA stated that, following on the introductory framework and the main outline provided by the Director-General, he would proceed to explain in greater detail the principal elements of the proposed 2014-2018 MTP. He referred to the mission and vision of the Institute and listed the frames of reference on which the preparation of the MTP was based: the 2010-2020 Strategic Plan and the resolutions adopted by the IABA at its regular meetings in 2011 and 2013, in which new mandates had been given to the Institute with respect to innovation and integrated management of water resources, respectively.

1.5.2 He continued by explaining that the proposals contained in the 2014-2018 MTP were based on: i) the promotion of a results-based organization in a context of financial restrictions and of new challenges and paradigms in the area of technical cooperation within the hemisphere, ii) the strengthening of the concept of a “single IICA”, iii) the reorientation of technical capabilities towards inter-area and inter-thematic institutional projects, iv) complementing of institutional projects with external resources based on the eleven contributions that IICA will make and the transformations expected in the countries, v) the allocation of human and financial resources to the planned projects and vi) the strengthening of a model of technical cooperation based on the concept of shared responsibility among the Member States and the Institute.

- 1.5.3 He then explained the three levels of the chain of results on which the 2014-2018 MTP was based: i) the transformations, which are the substantive changes that take place in the countries and which are achieved with support from various actors, including IICA; ii) the contributions, which are the results attributable to the work of the Institute, and which, in combination with the contributions of other actors, result in the transformations; and iii) the products or services, that are the deliverables that demonstrate the contribution of the Institute, resulting from the culmination of a series of activities at different levels: hemispheric, regional, multinational, and national.
- 1.5.4 He concluded by pointing out the instruments of action with which the Institute would work in order to achieve the eleven contributions: i) the flagship projects, which will be the backbone for providing technical cooperation; ii) the projects financed with external resources, designed or set up to complement IICA's activities, iii) the rapid response actions, aimed at meeting the specific requests of a country in light of emerging topics, and iv) the pre-investment initiatives financed through the Technical Cooperation Fund (FonTC), which constitutes the institutional mechanism for leveraging external resources. He added that all these instruments were expressed in IICA's strategies in the countries, which reflected the priorities of the Institute, both concretely and operationally.
- 1.6 Observations by the representatives of the Member States
- 1.6.1 The Observer Representative of the United States of America acknowledged the efforts made by the administration in the preparation of the proposed 2014-2018 MTP. He added that, despite the difficulties facing the countries to increase their quota, they have maintained their economic support for the Institute and their recognition for the work that it carries out, which is reflected in the implementation of projects financed with the USD200 million in external resources that the Member States manage, jointly with IICA. He expressed his concern with respect to the financial viability of the Institute in order to respond to all the demands related to agriculture in various areas such as water management, climate change and food security. He indicated his country's willingness to work closely with IICA to find alternate sources of financing that would make it possible for the Institute to meet its objectives and face the cycles of financial difficulty.

- 1.6.2 The Representative of Mexico expressed his satisfaction with the strengthening of the technical capability of the Institute and with the proposed 2014-2018 MTP. He underscored the importance for it to respond effectively to the four challenges that required urgent attention, and which were expressed in the four strategic objectives of IICA. Finally, following on the proposal made by the Observer Representative of the United States of America, he offered support to the Institute in the search for alternatives to strengthen its financial capacity.
- 1.6.3 The Representative of Brazil recognized the task facing the Institute in its search for a resolution to its major problems and considered that IICA should be more modest in defining its goals. He also recommended incorporating proposals for initiatives that the Institute could develop in partnership with other organizations. He expressed his satisfaction with the results-based management concept, but recommended that these results be concretely defined and easy to measure. He further indicated that results 4, 5 and 10 represented methodological progress, suggested improving the generic criteria for measuring them and recommended the use of expressions such as “strengthened or improved land management.” He concurred with the concerns expressed by the Observer Representative of the United States of America with respect to the Institute’s finances, and indicated his country’s decision to increase the amount of its quota in support of the financial strengthening of the Institute, given that the financing of IICA should be proportional to its objectives and goals. Finally, he stated that the financial situation was a topic that needed to be discussed further during the meeting, and expressed his willingness to contribute to the debate.
- 1.6.4 The Representative of Canada declared that in the proposed 2014-2018 MTP, the idea of promoting the integration of the Institute into a “Single IICA” and of placing emphasis on results-based management was welcomed. He expressed his concern regarding the expected time frame (four years) for the institutional net rate (INR) to reach the goal of 8.1%, and recalled that the resources generated from this rate represented approximately 5% of the Regular Budget. Finally, he suggested that in the introductory section (page 2, paragraph 10) of the MTP the following text should be added: “The 2014-2018 MTP will be implemented, subject to available financial resources”, which would give the ministers more freedom to take decisions related to the implementation of the MTP and its financing.

- 1.6.5 The Representative of Chile supported the proposed 2014-2018 MTP as presented, and underscored the changes aimed at achieving greater efficiency. He deduced that significant institutional modifications would be required in order to operationalize this new MTP, in addition to a rethinking of the use of resources. He felt that greater centralization of the budget was being sought with a view to meeting the goals established. He referred to possible changes in the short-term actions which he perceived to be more centralized, and asked what would happen with the programs, the regional specialists, and the offices, which he considered would require intense technical strengthening. He noted the differences that existed within the region in areas such as food security and inclusion, as well as in terms of the situation with respect to importers or net food exporters. Finally, he reiterated his support for the 2014-2018 MTP which he considered to be a good plan, but which would require a reorganization of the Institute.
- 1.6.6 The Representative of Uruguay recommended that the 2014-2018 MTP outline more concretely the problems facing the sub-regions and the actions that IICA would undertake in order to address them. He stated that the plan showed an effort to find points of convergence, and felt that the specific problems of the sub-regions needed to be stated clearly, although he recognized the practical difficulties in molding them into an orienting document such as the MTP. He felt it was important that progress be made on different aspects within the various sub-regions, and recognized that the MTP showed a push in that direction, as shown on page 21 of the Spanish version.
- 1.6.7 The Representative of Trinidad and Tobago requested more information on the way in which the 2014-2018 MTP would be implemented in order to achieve the expected results.
- 1.6.8 The Observer Representative of Argentina commented that his country supported the results-based approach, since that was the only way to audit effectiveness and efficiency in the achievement of the stated objectives. With respect to the special features of different countries, he fully agreed that there were enormous differences both in terms of development in general, and in the agricultural sector, in particular. He felt that the 2014-2018 MTP was a general document that made a general statement, but which needed to be deepened to reflect the individuality of the countries and IICA on a bilateral basis, for the purpose of identifying the objectives, goals and concrete needs of each country,

improve efficiency in the allocation of resources and ensure that the Institute's cooperation responds to the demands of the beneficiary countries. With regard to the financial aspect, he declared that Argentina was open to discussing it in the future, so as to enable IICA to respond to requests for cooperation from the countries.

- 1.6.9 The Representative of Guatemala thanked the Institute for the effort made in preparing the 2014-2018 MTP, which he considered to be a framework document. He declared that the characteristics and the conditions of each country would determine its participation in the benefits of the flagship projects and other cooperation projects. He pointed out that it was essential that the different cooperation initiatives be articulated with each other and that it was essential that mechanisms be generated to enable each country to request the cooperation it required from the Institute.
- 1.6.10 The Observer Representative of Guyana stated that he had no objections to the 2014-2018 MTP. He felt that the concerns raised by the representatives of Canada and Brazil, as well as the Observer Representative of the United States of America, were legitimate and should be taken into account. He underscored the timeliness of this MTP based on the similarity of its time frame with the horizon set to achieve the Millennium Development Goals. He pointed to the need to move towards a region devoid of hunger and emphasized the role of agriculture as a creator of wealth and, therefore, a partner in poverty reduction. He also noted the multiple functions of the agricultural sector beyond food supply and underscored the importance of strengthening the South-South cooperation strategy and coordinate actions with other agencies within the sector.
- 1.6.11 The Observer Representative of Ecuador recognized the work put into the preparation of this 2014-2018 MTP proposal, and the results-based management methodology that would facilitate measurement of IICA's results. He suggested that more concrete and clear goals (objective, measurable) be established, and that the year 2018 be considered for achieving this, which would enable the financial resources to be optimized and provide better monitoring of impacts. He added that the document did not mention clearly any articulation with other regional proposals with the same goals and which are promoted by other international bodies. This articulation would provide greater impact in every country and a prioritization of resources, based on the comparative advantages of the Institute.

- 1.6.12 He went on to state that on the topic of “hunger and poverty reduction”, the region had decided to go even further: to move toward their eradication. Examples of this are the programs being implemented in Ecuador and in other countries such as Brazil and Nicaragua, and he suggested that the Institute rise to the challenge of “eradicating them”, rather than just “reducing them”. He added that the document did not mention the complementarity and the articulation with challenges such as the Post 2015 Agenda of the Millennium Development Goals, where the comparative advantages of IICA would make an important contribution. Finally, he pointed out that in the proposal of the MTP, there was no mention of the way in which the Institute would articulate efforts or would contribute in light of the agreements established within the framework of the Southern Common Market (MERCOSUR), the Community of Central American and Caribbean States (CELAC), the Union of South American Nations (UNASUR), and the Andean Community (CAN).
- 1.6.13 The Representative of Barbados felt that the 2014-2018 MTP was an ambitious plan. He added that, in order to maximize the expected results, IICA should ensure that its actions do not duplicate the efforts of other cooperation agencies and should focus on its strengths.
- 1.6.14 The Observer Representative of the United States of America pointed out that many of his observations had already been incorporated into the proposal of the 2014-2018 MTP. He felt that in order to achieve greater efficiency, IICA should ensure that its projects have a “cascading effect.” He reported that he had submitted to the authorities of the Institute a document with specific observations on the proposal.
- 1.6.15 The Director General referred to the comments and reiterated the fact that the 2014-2018 MTP was a document that was subject to review and approval by the Member States. He thanked the speakers for their contributions and assured the meeting that they would be taken into account in improving it. He requested that all the Member States submit their observations and opinions in writing.
- 1.6.16 He noted that it was difficult to include in a document of this nature the wide range of situations that were specific to the countries, while integrating the national, regional, multinational and hemispheric aspects in a general way. He explained that the final intention was to deliver tangible results to the countries. He reported that IICA had tried to respond to the demands of the ministries

of agriculture through periodically revised work agendas. The permanent contact and dialogue between the Institute and those ministries have led them to prioritize their national demands, to be realistic and to focus their efforts on seeking solutions.

- 1.6.17 He added that, in addition to actions at the national level, IICA undertook work agendas that were regional in nature, within the framework of the regional bodies that bring the ministers together, such as the Central American Agricultural Council (CAC), the Southern Agricultural Council (CAS), and the Caribbean Community (CARICOM), where regional matters were addressed. He added that the proposal for the 2014-2018 MTP retained the executive secretariats of those entities, to which the Institute provides support, to complement the actions of other cooperation agencies working in the regions.
- 1.6.18 He pointed out that the proposal for the 2014-2018 MTP made reference to the multinational scope of IICA's work, with groups of countries that are not necessarily located in the same region, but have affinities and shared demands. He felt that it was necessary to better seize the advantages of countries like Brazil, whose knowledge, capacities, and experience could be used to support other countries and regions. He recognized that at the hemispheric level, the Institute had limitations, but that it was willing to continue to work with strategic partners in the various areas in which IICA had expertise. He added that the meeting was part of the process of receiving contributions for improving the proposal.
- 1.6.19 He indicated that the Institute had given its commitment to delivering measurable and auditable results, mainly through the flagship projects, but also through rapid response actions and initiatives financed by the Technical Cooperation Fund that make it possible to obtain more external funding. He cited as an example of the first type of instrument, the actions promoted by IICA to combat coffee rust in the Mesoamerican region.
- 1.6.20 He felt that the transformation of the Institute into a more integrated and cross-cutting organization implied effort and sacrifice, but that this was the way to meet the demands of the countries more efficiently and carry out organizational fine-tuning that would allow it to effectively face the changing challenges of the 21st century.

- 1.6.21 He reaffirmed his commitment to taking into account all the observations made by the representatives in order to enrich the proposal for the 2014-2018 MTP, which constitutes the framework document that defines the path that IICA technical cooperation will take over the next four years, and meet the objectives proposed for its effective period.
- 1.6.22 The Chair underscored the modifiable nature of the proposal, with a view to its strengthening.
- 1.6.23 The Technical Secretary commented that, if he had interpreted correctly, there was consensus for endorsing the proposal for the 2014-2018 MTP as presented by the Director General, with the changes suggested by the Executive Committee. He reported that the Technical Secretariat would present a draft resolution for approval of the proposal. He emphasized that the MTP covered a period of four years and that almost six months of the first year had already elapsed, which was of concern.
- 1.7 *Participation of Turkey, new Permanent Observer country*
- 1.7.1 The Chair pointed to the presence of Turkey, a country that had recently been incorporated as a Permanent Observer, for the first time in a meeting of the Executive Committee.
- 1.7.2 Mr. Michael Adenauer, Honorary General Consul of Turkey in Costa Rica, expressed his appreciation for the opportunity to be part of the observer countries of IICA. He pointed to the rapid growth of Turkey in recent years and to the importance of the food and agriculture and agro-export sector in his country. He also described some of the national goals for the year 2023, in particular, the goal of becoming one of the five major agricultural producers in Europe. He invited the Member States of IICA to consider Istanbul as one of the possible sites for a future meeting.
- 1.8 *Close of the session*
- 1.8.1 The first plenary session of the Thirty-fourth Regular Meeting of the Executive Committee of IICA was adjourned at 12:41 hours on May 21, 2014.

SECOND PLENARY SESSION

2.1 Opening Session

2.1.1 The Second Plenary Session of the Thirty-fourth Regular Meeting of the Executive Committee of the Inter-American Institute for Cooperation on Agriculture (IICA) was called to order at 14:30 hours on May 21, 2014, and was chaired by Roland Bhola, Minister of Agriculture, Lands, Forestry, Fisheries and Environment of Grenada.

2.2 Activities of the General Directorate and the Governing Bodies

2.2.1 The Technical Secretary welcomed the Representative of Peru who joined the meeting. He recalled that at recent meetings of the Executive Committee and the Inter-American Board of Agriculture (IABA) issues were dealt with expeditiously, and announced that documents duly placed online would be referred to, and in each case, the representatives would be given the opportunity to comment.

2.2.2 2013 Annual Report of IICA

2.2.2.1 The Technical Secretary explained that there was usually a lapse in the time between when the report was prepared and when it was presented to the governing bodies of the Institute. He pointed out that in accordance with the Rules of Procedure, the bodies within the Inter-American System must submit an annual report to the Organization of American States (OAS) so that this information can be submitted to all its Member States; this was accomplished in a timely manner. He added that the Director General had presented the 2013 Annual Report to the Permanent Council of the OAS. He further mentioned that the Institute's Offices in the member countries had undertaken accountability activities where a detailed report of activities carried out at the national level during the previous year was submitted to the authorities in each country.

2.2.2.2 The Observer Representative of the United States asserted that he had attended the presentation of the Annual Report given by the Director General to the OAS. He confirmed that several Members States of IICA supported the work of the Institute.

2.2.3 Report on the Status of the Resolutions of the Seventeenth Regular Meeting of the IABA (2013)

2.2.3.1 The Technical Secretary recalled that several of the IABA resolutions required administrative and procedural compliance, while others required activities over different time periods. He further stated that Document No. 633 which was made available online in time for this meeting, reported on the implementation of the resolutions of the Seventeenth Regular Meeting of the IABA. He offered to answer any questions or give explanations as required.

2.2.4 Report on the Status of the Resolutions of the Thirty-third Regular Meeting of the Executive Committee (2013)

2.2.4.1 The Technical Secretary stated that the report on the resolutions of the Thirty-third Regular Meeting of the Executive Committee had been shared with the members of the Executive Committee via the online information system. He gave representatives the opportunity to make comments or ask questions concerning the contents of that report.

2.3 *Strengthening IICA's Strategic Alliances with other Institutions*

2.3.1 2012-2013 CARDI Report

2.3.1.1 The Head of Strategic Alliances of the Caribbean Agricultural Research and Development Institute (CARDI), Mr. Bruce Lauckner, presented the report on his organization's main activities in 2013. He highlighted the corresponding report on activities undertaken in 2012, which was presented to the IABA at its 2013 Seventeenth Regular Meeting. He pointed out that CARDI had played an important role in the restructuring and development of agriculture and the rural sector in the countries of the Caribbean Community (CARICOM).

2.3.1.2 He further noted that CARDI's work program had three strategic areas: i) development of sustainable industries, ii) development of strategic linkages and iii) institutional strengthening. He then pointed to the main achievements in each of these areas.

2.3.1.3 He referred to the alliances with strategic partners that CARDI had managed to strengthen during the reported period, the most notable being with the Caribbean Farmers Network (CaFAN), the Caribbean Community Climate Change Center

(CCCCC), the CARICOM Secretariat (CCS), the Caribbean Development Bank (CDB), the Caribbean Institute for Meteorology and Hydrology (CIMH) and IICA. He then highlighted relationships established with new partners such as the Chinese Academy of Agricultural Sciences (CAAS), the Latin American and Caribbean Consortium for support of Research and Development of the Yuca (CLAYUCA), the Indian Council of Agricultural Research (ICAR), the Coconut Producers Cooperative in San Patricio (Trinidad and Tobago), and the University of Wageningen (Holland).

2.3.1.4 Finally, he listed the projects that IICA and CARDI had jointly undertaken to May 2014, most notable of which was a Project in support of Haiti, who is not a member of CARDI, as well as an agricultural project in St. Lucia which was already under way jointly with the Government of that country, with financing from the Government of Mexico.

2.3.2 2012-2013 CATIE Report

2.3.2.1 Dr. José Joaquín Campos, Director General of the Tropical Agriculture Research and Higher Education Center (CATIE), presented the report on the Center for the 2012-2013 biennium. He revealed that during that period, CATIE had been given the task of identifying the niche that should guide its actions. As a result, the organization developed and applied fundamental approaches to sustainable livelihoods, value chains, agricultural and forestry systems and policy making. The second stage of the Mesoamerican Agri-environmental Program (MAP) implemented in the Trifinio area (border region between El Salvador, Honduras, and Guatemala) and in central Nicaragua, stands out as a significant result of this approach. He further stated that the collaborative approach to research favored the establishment of regional and international partnerships geared toward developing CATIE as a strategic regional partner for the “CRP6” research program of the Consultative Group on International Agricultural Research (CGIAR).

2.3.2.2 He then mentioned the major achievements of CATIE’s activities, the most outstanding of which included: i) the implementation of a variety of short courses at CATIE Headquarters and in member countries; ii) the Regional Scientific Platform, supported by partners such as the Agricultural Research Center for International Development (CIRAD), Bioversity International, the World Agroforestry Centre (ICRAF), the Center for Agricultural Bioscience

International (CABI) and Heifer International, among others; iii) the dissemination of new cocoa clones tolerant to yeast; iv) efforts to combat coffee leaf rust; v) the implementation of a new work approach in the Livestock and Environmental Management Program, which enabled increased productivity and sustainability; vi) the development of a project financed by Noruega for the strengthening of family farming; vii) the implementation of at least 30 projects in the area of climate change and the undertaking of education and training activities; and viii) the designation of the CATIE graduate system as the “international land grant university”.

2.3.2.3 Finally the Director General of CATIE reported that the Center’s financial situation had improved substantially, due to increased income from student payments, reduction in expenditure, and additional income generating projects. He added that the Center had invested in the improvement of the main building’s infrastructure and in the cattle farm.

2.3.3 Work Report of the IABA Representative to the Governing Council of CATIE

2.3.3.1 Mr. Bruce Quick designated by the United States of America as the IABA representative to the Governing Council of CATIE, stated that an independent external evaluation of this Center had highlighted the success of the IICA-CATIE alliance and a satisfactory division of responsibilities between both institutions. He mentioned that the authorities of these organizations had met every month and had developed a number of joint projects.

2.3.3.2 He continued that there was room for improvement in some areas, such as the strengthening of the CATIE administration, and less competition between both institutions for donor resources. He further stated that there was an urgent need to renew the agreement that provides legal status to CATIE, which expires in 2020.

2.3.3.3 He then informed the Meeting that only four members of CATIE were up to date in the payment of their contributions and that seven of the members were between two and ten years in arrears. The Director General of CATIE was therefore making arrangements with countries in arrears to make payments of their contributions. He further stated that IICA provided a contribution to CATIE, which subsidized the core budget of the institution.

- 2.3.3.4 Mr. Quick noted that the Governing Council had suggested that CATIE's Strategic Plan be focused on training the next generation of agricultural leaders, technicians and educators, and that anticipated results be quantifiable and aligned with the strategic objectives. He then asserted that both institutions should continue engaging in joint collaboration and that CATIE should continue focusing its efforts on research and education, with a view to training experts to return to their countries as leaders in agriculture.
- 2.3.3.5 The Representative of Canada sought clarification on whether or not late payments, because of their implications on the right to vote, had affected the decision-making process of the organization. He also requested that delegations continue to be informed on the progress of the collection of contributions owed to CATIE.
- 2.3.3.6 The Director General of CATIE explained that the late payment of contributions had not affected the decision-making process of Member States, since they lose their right to vote only after three years' default on payment. He further stated that the Dominican Republic had signed an agreement to facilitate payment of its fee.
- 2.3.3.7 The Representative of Brazil requested more information on joint agreements and initiatives between IICA and CATIE, such as the Cooperative Program on Agricultural Research Development and Innovation for the South American Tropics (Procitropicos).
- 2.3.3.8 The Director General of CATIE made mention of several joint projects with IICA, such as the management of the Orton Memorial Library, the implementation of a variety of projects in Chiapas, Mexico and El Salvador, the completion of an online course on climate change, and participation in Procitropicos, especially in Brazil and Bolivia.
- 2.3.3.9 The Deputy Director General of IICA stated that Member States would be provided with an update on the status of the collection of fees owed to CATIE.
- 2.3.4 Report on IICA-CATIE and IICA-CARDI Joint Cooperation Activities
- 2.3.4.1 The Deputy Director General of IICA began his presentation by describing the cooperation activities between IICA and CATIE, which are based on a legal and institutional framework that includes a law of the Republic of Costa Rica, the

general bilateral agreement and the 2012-2014 IICA-CATIE program of joint activities.

2.3.4.2 He stated that the IICA-CATIE joint action had focused on four strategic areas: i) support to Member States to address climate change and mitigate its effects; ii) strengthening innovative production processes; iii) development of institutional frameworks and capacities for sustainable management of rural areas and; iv) knowledge management. With regard to institutional support activities, these had focused on legal and institutional protection and counselling in the area of insurance, as well as legalizing and registering of property plans.

2.3.4.3 The Deputy Director General then reported on joint activities between IICA and CARDI. He pointed out that relations between both institutions began in 1989, with the signing of an initial five-year agreement to promote the research and development of agriculture in the Caribbean. A five-year agreement that started in 2010 is currently in place, and forms the basis for the execution of a joint cooperation program for the 2011-2014 period.

2.3.4.4 The Deputy Director General pointed out that the IICA-CARDI joint cooperation program included the following components: i) the facilitation of ties between CARDI and institutions in Latin American, ii) the establishment of the System of Science, Technology and Innovation Networks, iii) the development of synergies with ongoing projects, iv) access to IICA's Competitive Fund for Technical Cooperation for two projects in the Caribbean region and v) IICA's provision of USD 200,000 per year to CARDI. Finally, he reported that during the 2013-2014 period, 16 projects amounting to approximately USD 440,000 had been implemented.

2.4 *Distribution of Draft Resolutions*

2.4.1 The Technical Secretary reported that the draft resolution relating to the proposed 2014-2018 MTP would be delivered to the Representatives and Observer Representatives early on Thursday May 22, 2014. He added that the draft resolutions on other topics covered in the first and second plenary sessions had been circulated, so that delegations could review them. To that end, a report with an update on the IICA situation in Colombia had been circulated.

2.5 Remarks from the Director General

2.5.1 The Director General expressed appreciation for the observations and comments on issues discussed in the meeting, particularly those related to the proposed 2014-2018 MTP. He restated his commitment to considering all comments received to improve the Plan. He remarked that in order to respond to the demands of its Member States in a timely manner, the Institute would need to become a solid, flexible and efficient organization, but that IICA's responsiveness would be dependent on the availability of resources.

2.5.2 He considered it necessary for IICA and other organizations and partners to collaborate and integrate their activities, because the demands of agriculture and rural areas exceeded the individual capabilities of each organization. He expressed optimism with respect to the outlook for agriculture in the Americas and the Institute's ability to contribute to all areas of action. He underscored that all IICA's activities were geared towards improving the capabilities of farmers and rural inhabitants in order to improve their welfare.

2.6 Close of the session

2.6.1 The Second Plenary Session of the Thirty-fourth Regular Meeting of the Executive Committee of IICA was adjourned at 16:55 hours on May 21, 2014.

THIRD PLENARY SESSION

3.1 *Opening of the session*

3.1.1 The third plenary session of the Thirty-fourth Regular Meeting of the Executive Committee of the Inter-American Institute for Cooperation on Agriculture (IICA) was called to order at 08:45 hours on May 22, 2014. Mr. Roland Bhola, Minister of Agriculture, Lands, Forestry, Fisheries and Environment of Grenada, chaired the meeting.

3.2 *Reading and approval of draft resolutions*

3.2.1 At the request of the Chair, the Rapporteur proceeded to read out the following draft resolutions: 2013 Annual Report of the Inter-American Institute for Cooperation on Agriculture (IICA); Status of the resolutions of the Seventeenth Regular Meeting of the Inter-American Board of Agriculture (IABA) and the Thirty-third Regular Meeting of the Executive Committee; Biennial Report of the Caribbean Agricultural Research and Development Institute (CARDI) for 2012-2013; Biennial Report of the Tropical Agriculture Research and Higher Education Center (CATIE) for 2012-2013; and Report of the Representative of the Inter-American Board of Agriculture (IABA) on the Governing Council of the Tropical Agriculture Research and Higher Education Center (CATIE) for the period 2013-2014.

3.2.2 The Chairman submitted each of the aforementioned resolutions to a vote. They were approved as read.

3.3 *Report of the 2014 Regular Meeting of the Special Advisory Commission on Management Issues (SACMI)*

3.3.1 The Chairman advised that the next item for discussion would be the Report of the 2014 Regular Meeting of the Advisory Commission on Management Issues (SACMI), pursuant to Article 3.1.d of the Committee's Statute. That article establishes that the IICA Administration must present a report on the meetings of SACMI to the Executive Committee. He then gave the floor to the Technical Secretary.

- 3.3.2 The Technical Secretary explained that the report on the 2014 Regular Meeting of the Commission, held by videoconference on March 27, had been submitted to the members of the Executive Committee in a timely and appropriate manner, via the online information system. His presentation of that report would therefore not be detailed. IICA's 2015 Program Budget had been discussed at length by the delegates of Argentina, Barbados, Brazil, Canada, Chile, the Dominican Republic, Mexico, the United States and Venezuela at that meeting. The observations and suggestions made by those countries, he said, would be incorporated into the respective documents.
- 3.3.3 Given the fact that the report had been submitted to the countries sufficiently in advance, the Chairman yielded the floor to those representatives wishing to comment on the report.
- 3.3.4 The Representative of Canada clarified that his remarks did not concern the report, but rather the way in which IICA had organized the last meeting of SACMI, which was a virtual meeting. He said that there had been some minor technical difficulties, but that this innovative method had produced significant savings in economic resources. He felt that the Institute should share and continue this practice, which would enable more Member States to participate in the meetings of SACMI.
- 3.3.5 The Chair recognized the Director General who said that effectively, this new method paved the way for easier and more effective dialogue with SACMI members and facilitated the participation of other Member States.
- 3.4 *IICA's financial and program-budget situation*
- 3.4.1 *Main developments with regard to corporate management and results*
- 3.4.1.1 The Secretary of Corporate Services of IICA, Mr. Carlos O'Farrill, presented a summary of the main developments and results of corporate financial and program-budget management at the Institute in 2013. He said that the Institute's continued sustainability had been possible because of the rigorous criteria governing budgetary execution, based on rationality, equity and transparency. Furthermore, he said, a strict policy of controlling operating costs had been continued, which had made it possible to realize savings and redirect more resources to technical cooperation, which rose from 89% in 2009, to 90% in 2013.

3.4.1.2 He added that the installation of the SAP financial system had strengthened the administrative-financial process, which had ensured the careful and effective management of resources in accordance with international standards. He said that annual programming had been improved as a result of the formulation of indicators and a clear results-based orientation as the foundation for a new planning, monitoring and evaluation model. Progress had been made with the automated follow-up of the budget and online programming through the Unified Institutional Management System (SUGI). Finally, he noted that the Institute had continued to implement a strategy of continued improvement with a special focus on the process of re-engineering in human talent management.

3.4.2 2015 Program Budget

3.4.2.1 The Secretary of Corporate Services noted that during the Seventeenth Regular Meeting of the IABA, held in Argentina, it was resolved: i) to approve the amount of USD 33.9 million a year for the income budget to the Regular Fund for 2014-2015 (USD 27.8 million from Member State quota contributions, and USD 6.1 million from miscellaneous income), ii) to approve the expenditure budget for 2014, and iii) to delegate to the Executive Committee approval of the budget of expenditures for 2015, to make it consistent with the new MTP.

3.4.2.2 He explained that the proposed budget of expenditures for 2015 had been prepared on the basis of the following: i) zero nominal growth, ii) minimization of the impact on the level of operation through absorption of the effect of inflation on the Regular Fund (estimated at USD1.0 million in 2015), iii) adjustments in operating costs, iv) maintenance of objects of expenditure for technical cooperation, and v) the elimination of vacant posts (three international professional personnel and two local professional personnel posts).

3.4.2.3 He noted that the distribution of the 2015 budget of expenditures according to chapter was as follows: i) 90.5% for chapter I: direct technical cooperation services, ii) 4.8% for chapter II: management costs, iii) 3.8% for chapter III: general costs and provisions, and iv) 0.9% for chapter IV: renewal of infrastructure and equipment. He clarified that the budget of expenditures for 2015 had been aligned with the priorities defined in the 2014-2018 MTP.

3.4.3 Report on the collection of quotas

3.4.3.1 The Secretary of Corporate Services reported that for the year ended on December 31, 2013, the Institute had collected USD 28.3 million in quota payments, which was the required level of funding for the annual budget. The amount for quota payments in arrears from previous years was reduced by USD 0.5 million.

3.4.3.2 He noted that during 2013, the Institute had received quota contributions from 30 Member States and that at year-end, the amount owed to IICA was USD 2.2 million. He said that 21 Member States, who had paid all of their quota contributions, had ended the year in an “up-to-date status”; 11 were in “regular status”, because they were in arrears for two years or less; one was in “special status”, and had a payment plan for all its arrears; and one country was in “in-arrears status” because it owed quota contributions for three years.

3.4.4 2013 Financial statements of the Institute and report of the external auditors

3.4.4.1 The Secretary of Corporate Services explained that, in accordance with the report of the independent auditors, Ernst & Young, the audit evidence obtained was considered sufficient and appropriate to provide a basis for its qualified audit opinion. The basis of that opinion was that provisions for employee termination benefits required actuarial studies that used generally accepted accounting principles in the United States of America. The external auditors said in their report that: *“In our opinion except for the effects of the matters indicated in the above paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Inter-American Institute for Cooperation on Agriculture (IICA) as of December 31, 2013 and 2012 and the changes in its net assets and its cash flows for the year then ended, in accordance with generally accepted accounting principles in the United States of America.”*

3.4.4.2 He then referred to the process for hiring external auditors. He explained that on this occasion, five firms had participated, but that Deloitte & Touche had made the most attractive bid.

3.4.5 Twentieth report of the Audit Review Committee (ARC)

3.4.5.1 The Secretary of Corporate Services reported that the Chair of the ARC had not been able to attend the meeting of the Executive Committee for work-related reasons. He added that the report of the Audit Review Committee had been made available to all delegations through the online information system.

3.4.6 Analysis and comments

3.4.6.1 The Observer Representative of Guyana asked for clarification of the difference between the Institutional Net Rate (INR), slightly over 7% provided for in the 2014-2015 Program-Budget, and the 8.1% INR adopted by IICA, as well as the origin and use of the miscellaneous income of USD 6.1 million, and the possibility that this object of expenditure could experience fluctuations. He felt that it would not be possible to carry out the activities described in the proposed MTP with a limited budgetary allocation of USD 33.9 million and pointed out that the implementation of the Plan would require additional resources.

3.4.6.2 The Secretary of Corporate Services explained that with respect to the INR, a distinction needed to be made between the actual INR which results from the average that is effectively recovered by IICA when it executes projects with external financing, slightly over 7%, and the institutionally adopted INR, which is a calculation based on what the Institute should recover for the execution of externally financed projects. A number of factors accounted for this situation, he explained. For example, certain projects had very low INRs, even 0%. He noted that the difference between the two was approximately USD 1.2 million and that an additional effort should be made to gradually close this gap.

3.4.6.3 He went on to discuss the miscellaneous income which, he explained, came from various sources, such as tax recoveries, interest earned and the sale of assets and other securities. A significant portion of this income became part of the Regular Fund, subject to authorization from the governing bodies. It was possible, he explained, that the projected figures on miscellaneous income could change, given their variable sources and amounts, in which case the countries would be advised accordingly.

- 3.4.6.4 On this topic, the Director General confirmed that a reduction in miscellaneous income was expected in the next biennium during which execution of the new MTP would be underway. He added that the details of this projection would be explained later at that meeting.
- 3.4.6.5 In response to doubts as to whether the amount of Regular Fund resources would be sufficient to implement the proposed MTP, the Secretary of Corporate Services said that all priorities would be addressed, but admitted that the scale and depth of the effort would be less than desirable. He noted that externally financed projects were aligned with the strategic objectives and the flagship projects proposed in the 2014-2018 MTP. External resources accounted for 80% of resources managed by IICA and could be used as supplementary funding for implementation of the MTP, depending on its scope and scale.
- 3.4.6.6 The Representative of Chile requested information on the regions and countries on which the execution of externally financed projects was focused.
- 3.4.6.7 The Secretary of Corporate Services reported that most of those resources were executed in Brazil, but that their level of execution was low. He added that Mexico was the country in which IICA implemented the largest number of projects financed with resources from its government. Argentina, he said, was another country where considerable amounts of external resources were earmarked for the execution of projects. He said that the Institute would make available to the countries detailed information on externally financed projects, including the countries in which they were executed, the amounts, starting and completion dates, and amount of INR resources generated.
- 3.4.6.8 The Observer Representative of Argentina reiterated his country's position with respect to IICA's budgetary allocation, which had been expressed at the previous meeting of SACMI.
- 3.4.6.9 The Representative of Brazil said he was pleased with the information shared at the meeting and clarified that a significant proportion of the external resources managed by IICA in Brazil came from the World Bank, which enlisted the Institute's assistance for the administration of those resources. He recommended that the authorities at IICA impress upon the countries and other agencies that 90% of its resources are earmarked for technical cooperation, and he asked for

more in-depth information on how that 90% is applied for technical cooperation activities, and on the use of the remaining 10%. He viewed as highly positive the fact that one-third of the projects executed by the Institute are related to sustainability and adaptation to climate change, which is testimony to the priority attention that IICA gives to this topic. He was pleased with the plan to increase the INR that is actually recovered by one percentage point, given the positive implications this could have in improving the delivery of technical cooperation.

- 3.4.6.10 The Secretary of Corporate Services thanked the Representative of Brazil for his suggestion. He shared the Representative's view regarding the importance that should be given to circulating information, as suggested by the Representative of Brazil. He reported that 10% of the budget was used to cover energy, communication and other costs that were necessary for the operation of the Institute. He further clarified that the projects executed in Brazil were financed by the Brazilian government and other financial agencies, and not through resources from the Regular Fund of IICA.
- 3.4.6.11 The Representative of Honduras pointed out that the table on the distribution of resources by project and geographical area did not show a normal distribution of resources and requested clarification on this matter.
- 3.4.6.12 The Secretary of Corporate Services explained that the table represented the regional distribution of projects financed with external resources, such as governments and financial agencies. This is why, he said, Regular Fund resources were not taken into account. He cited as an example Mexico, which basically had projects financed with resources from the Mexican government. One of these, he added, intended to establish a *cordon sanitaire* against the fruit fly, was permanent and involved a high degree of execution of resources.
- 3.4.6.13 The Observer Representative of Ecuador felt that, in order to have the complete picture of how the countries benefited, it was important for IICA to present information on the distribution of externally financed projects according to the countries in which they are executed, with the amounts involved, and that a distinction should be made between projects financed by the governments themselves and those financed by other external sources, such as the European Union with funds executed by the Institute.

3.4.6.14 The Secretary of Corporate Services reported that IICA was more than willing to provide that information. He then referred to certain projects financed by agencies outside the region, which were executed by the Institute. He cited as examples, European Union projects carried out in the Caribbean, and others that Finland was funding to increase forest sustainability and energy-generating capability in Ecuador, Colombia, Peru and Bolivia.

3.4.6.15 The Chair thanked the representatives for their participation and advised that the draft resolutions would be made available to the delegations after the coffee break. He invited the Representative of Barbados to discuss with the Director General a book on garden pest control.

3.5 Strengthening of the financial capacity of IICA

3.5.1 The Secretary of Corporate Services reported that the current proposal was in response to a request from the governing bodies regarding scenarios for the financial strengthening of IICA, in line with the 2014-2018 MTP. He referred to the six challenges identified among the strategic objectives in the Plan: productivity and competitiveness, sustainability, inclusion, food security, innovation, and integrated water resource management. He further stated that the 11 contributions to which IICA had committed itself in the new MTP would materialize through strategic institutional projects (flagship projects) pre-investment initiatives (Technical Cooperation Fund) and rapid response actions.

3.5.2 He said that the financial management of IICA had been based on an internal adjustment strategy that tended to wear out. What is more, the current environment was one in which there was an increased and more complex demand for technical cooperation. This is why there should be other alternatives, which required the support of Member States and the governing bodies.

3.5.3 He noted that IICA's Regular Fund was its financial base. However, that Fund had declined in real terms as a result of the freezing of Member State quotas and a decline in miscellaneous income. The loss in the real value of income to the Regular Fund over the last 19 years had been estimated at over USD 13 million (40% of the 2013 budget). The downward trend in generating miscellaneous income stemmed from the restriction on retaining interest generated through

external resources that have been administered, government provisions that eliminate tax recoveries, the fall in interest rates and unfavorable exchange rate fluctuations.

- 3.5.4 The first budgetary scenario presented by the Secretary of Corporate Services was based on an assumption of zero growth in quotas, the depletion of the Miscellaneous Income Fund and the consequent decline in available financing. He said that by 2017, the decline in nominal terms would reach USD 2 million, without taking into account the effect of inflation. The main consequences of this scenario include a reduction in the number of international professional personnel and local professional personnel posts, the loss of competitiveness in salaries on the labor market, difficulty in recruiting and retaining high-level professional resources, the effect on operating capacity because of the rising costs of goods and services and the negative effect on the exchange rate, declining investment in infrastructure and limited inter-country movement of personnel.
- 3.5.5 The second budgetary scenario includes an increase in the budget through three complementary actions: a) increasingly attracting and recovering INR funds to make available approximately USD 1.5 million from the Regular Fund used to cover the indirect costs of externally financed projects; an increase in quotas (2015), estimated conservatively at 10.8% (USD3 million) applicable one time only, and at 3.6% in subsequent years, to cover inflation in the Regular Fund and avoid lowering the quality of technical cooperation; and c) definition of additional contributions by Member States to increase the Institute's technical and operating capacity. The proposed increase would make it possible to gradually reinstate technical personnel to reinforce the projects referred to in the 2014-2018 MTP and rely on specialists available in emerging topics.
- 3.5.6 The Secretary of Corporate Services concluded his presentation by stating that the financial strengthening of the Institute would make it possible to avert the risk of lowering quality standards in the management of the Institute and in technical cooperation, promote the economic viability of the Institute and gradually address a larger number of, and more complex demands from Member States in a shorter period of time.

3.5.7 Analysis and comments

3.5.7.1 The Observer Representative of Guyana thanked the Secretary of Corporate Services of IICA for presenting the report and acknowledged the work of the Institute and its importance for small countries like his own, which rely on agriculture to increase economic and social growth. He said that the regular budget of IICA had not changed in 20 years and, if those present at the meeting supported the proposed 2014-2018 MTP, which had been described as being ambitious, then one had to accept that the current amount of USD 33 million would not be sufficient to implement that Plan.

3.5.7.2 He went on to state that, in order to resolve the situation, IICA had to continue to endeavor to be more efficient, since there was always room for improvement. Notwithstanding, he was aware of the progress that the Institute had made in this area. He recalled that at the IABA meeting held last year, as well as at other meetings of the Executive Committee, a commitment had been made to target an INR of 8.1%. In this regard, small steps had been taken, but he asked the delegates to bear in mind that reaching this INR percentage did not depend on the Institute, since the counterparts had well-defined guidelines and did not accept the established INR percentage. He gave as an example the projects negotiated with the European Union in the Caribbean countries for which the cooperating partner proposed a 5% ceiling, and finally agreed to increase it to 7%.

3.5.7.3 He noted especially that the most sensitive topic for discussion was the quotas, since a percentage increase had different repercussions in each of the countries. He therefore asked the countries to agree to a motion to create a model that provided increased income to IICA and that would make it possible to implement the MTP fully and not partially. He urged the other representatives not to close options to make special quota contributions, as Guyana had been doing for several years by contributing 10% more on its quota payment. He noted that IICA has seen a deterioration in its capabilities, which was reflected in staff reductions and the wage gap of up to 40% in relation to other organizations.

3.5.7.4 The Representative of Chile felt that there were three clear ways in which IICA could access resources: i) through an increase in regular resources obtained through quota contributions. An adjustment in these quotas had given rise to a

longstanding and lengthy discussion. He felt, in this regard, that the ideal solution would be to make a percentage increase in the quotas, as proposed, even though he understood that this solution entailed difficulties for certain countries. He suggested that the increase in quotas be proposed at the next meeting of the IABA as an option that could also be on a voluntary basis. It would be difficult, he felt, to reach consensus on an overall increase, and he added that the Government of Chile would agree to explore avenues for increasing the quota, which would involve internal negotiation at the government level; ii) by attracting external resources to be able to collect the INR. He felt, nonetheless, that a factor to be taken into account was that IICA competed for the administration of resources with other agencies which, in some instances, might have lower rates or calculate the amounts to be charged differently. He felt therefore that while access to external resources was important, measures needed to be taken, since some of the projects executed with those resources could run into difficulties; and iii) by considering changes in legal systems, operating mechanisms, or institutional changes, such as the case with Chile, where everything related to pre-established services is subject to a bidding process. He felt that alternatives needed to be looked into, as for example, South-South cooperation and triangular cooperation; taking advantage of the European Union's interest in the Central American and Caribbean regions, and enlisting the support of observer countries for Member States, in which case, IICA could serve as a link.

- 3.5.7.5 The Representative of Brazil expressed satisfaction with the elevated technical level of the dialogue at that meeting. He agreed with what the Observer Representative of Guyana had to say, which was that there was no immediate solution to the Institute's financial situation. He suggested placing this item on the agenda of SACMI, but that a process be embarked upon for formulating a proposal for the next meeting of the IABA, in which the representatives of the countries would participate.
- 3.5.7.6 He said that he agreed with the comments made by the Representative of Chile concerning the need to explore options for tripartite action among countries so as to access sources of resources by taking advantage of the fact that the Institute has a presence in all of the countries of the Americas. He suggested attracting new interest in cooperating entities with similar agendas to those of IICA. As an illustration, he cited climate change as one of the new topics that held interest for tripartite action for which a number of countries would be willing to channel funds.

- 3.5.7.7 He recognized that Brazil paid a lower INR percentage, but that this was due to a government decree that not only affected IICA, but also other institutions. He added that discussion of the subject of quotas should continue and proposed including it on the agenda for the next meeting of the Executive Committee since there was a willingness to help the Institute. However, more information on the use and purpose of the resources was needed.
- 3.5.7.8 He proposed that Member States support negotiation efforts between the General Directorate of IICA and the countries to bring about the harmonization of the INR.
- 3.5.7.9 The Observer Representative of the United States agreed with the Representative of Brazil. He felt that joint effort was required to resolve the financial situation of IICA and acknowledged that a difficult task lay ahead. It was important, he said, to take a closer look at the direct and indirect costs involved in the administration of projects as a means of gaining a better grasp of the pressures on the institution. He also recommended holding more virtual meetings of SACMI to allow for continuing dialogue and the active participation of countries in seeking effective solutions.
- 3.5.7.10 The Representative of Canada stated that Member States valued IICA's contribution to the countries. He felt however that there was a lack of clarity as to how it should work with its limitations, and underscored the relationship that should exist between the process for implementing the MTP and the financial resources available to the Institute. He added that he was not clear as to why the Executive Committee should take decisions on the use of the 2015 budget, since that budget had already been approved at the last regular meeting of the IABA. He was pleased with the strategic approach of the 2014-2018 MTP; however, certain aspects were not clear, as for example the flagship projects, which had to be approved by everyone and which did not take into account certain priority topics. He agreed that further dialogue was needed to consider various solutions and take decisions to achieve targeted goals.
- 3.5.7.11 The Observer Representative of Argentina noted that the satisfaction of member countries with the work IICA was doing, as well as the need to resolve the financial difficulties it faced, had been made manifest in many informal conversations. Coherence between the challenges that the Institute proposed to take on, on the one hand, and its financial situation, on the other, was essential. He underscored the need to seek other sources of funding that would enable IICA to reinforce the delivery of technical cooperation, such as South-South cooperation initiatives

for the transfer of technology and know-how among countries. The relationship with the European Union, which provided financing for certain lines of work in which the Institute was involved, should also be strengthened. He finally stated that Argentina was open to addressing the subject of the increase in quotas and the INR, but insisted that discussion should continue and more time should be spent on the analysis, which would make it possible to submit concrete solutions to the next meeting of the IABA.

- 3.5.7.12 The Representative of Uruguay stated his satisfaction with the progress achieved in the discussion of IICA's financial situation and how to strengthen it. With regard to increasing quotas, Uruguay's position was favorable, as long as the process was responsible, was linked to IICA's work strategies and was carefully thought out, and that it would facilitate a broader view of IICA's role. He then said that external resources were important, but that what was needed was an analysis of how to direct those resources to the areas in which IICA was involved. He was grateful for the information provided, but felt that the level of detail was not the most appropriate. He suggested furthering the analysis of external financing in relation to the MTP. He also recommended highlighting those projects that involved coordination on the part of the offices of IICA in the countries and the national governments, and making a distinction between these projects and those in which the Institute plays a purely administrative role. He went on to emphasize the role of South-South cooperation and the need to strengthen it. He also acknowledged that the countries had made strides in the areas of agricultural development, innovation and institutional strengthening in an effort to respond to emerging problems. He finally stressed the advantages that IICA has in promoting cooperation.
- 3.5.7.13 The Representative of Guatemala valued the support that the Institute had given to his country, which had been a source of great satisfaction for national institutions. Recognition of the work that the Institute had accomplished in Guatemala had accounted for a decision in favor of the Institute managing resources in the national budget. He said that his government endeavored to stay up-to-date with quota payments. He added that despite certain restrictions similar to those expressed by the Representative of Chile, Congress had been lobbied to facilitate IICA's participation in the administration of joint resources at the local level. He stated his willingness to participate in the dialogue to identify innovative mechanisms to achieve financial equilibrium. He added that he agreed with the idea of strengthening relations with the observer countries.

- 3.5.7.14 The Observer Representative of Ecuador felt it was necessary to generate clear-cut criteria for standardizing the INR percentage at the regional level, instead of negotiating percentages with each of the member countries. He further suggested that IICA establish a uniform INR percentage for negotiating with donors. This would enable the Institute to rely on a clear-cut policy for recovering indirect costs for the administration of projects. He also felt that alternatives should be developed for receiving special contributions, not only from member countries for over quotas, for example, but also from observer countries. This could be developed, for example, through a regional water resource management strategy which could be implemented with cooperation from donors outside the region who were interested in supporting these types of regional initiatives. He felt it was important to strengthen South-South cooperation and triangular cooperation so that IICA could play a major role in channeling and coordinating technical cooperation. Finally, he said that the increase in quotas to the Regular Fund should be discussed and reviewed at forthcoming meetings, given its implications for national budgets.
- 3.5.7.15 The Observer Representative of the Dominican Republic said that his country had benefited from IICA's work, as for example, in the area of human resource training. This had resulted in his country's commitment to evaluate the proposals presented by the Institute, despite the economic difficulties it was facing, and to seek ways to resolve IICA's financial situation so as to enable it to continue to deliver technical cooperation as it has been doing so far.
- 3.5.7.16 The Representative of Mexico indicated his country's was willing to provide technical and financial support to the Institute. His government had been earmarking resources for two specific projects: a training program for professionals from the Caribbean and a fellowship program for graduate students from Latin America and the Caribbean. He said that he approved of the 2014-2018 MTP and the increase in the quota that his country pays to IICA. He urged the other delegations to expedite discussions and the decision on the financial strengthening of the Institute so that concrete activities for bringing about this financial strengthening of IICA could be adopted at the next meeting of the IABA, to be held in Mexico. Finally, he acknowledged the technical support that IICA has given to his country, which had been highly useful to the process of agrarian reform in which his country was engaged.
- 3.5.7.17 The Secretary of Corporate Services for IICA thanked the representatives for their contributions and comments and reiterated his utmost willingness to

continue working to find solutions to the Institute's financial problems. He then clarified that the amounts derived from application of the INR were not profit for the Institute, since that rate constituted a mechanism for recovering the indirect costs related to the execution of externally financed projects, based on an IABA resolution. That resolution requested that a specialized agency establish the appropriate procedure for calculating the INR.

- 3.5.7.18 With regard to the 2014-2015 budget, he clarified that it had already been approved by the IABA and that what had been presented was a breakdown of the total amount approved for 2015, in line with the new MTP. He added that the required information on externally financed projects would be analyzed in greater detail at the next meeting of SACMI. While the table presented did reflect lower rates than the institutional INR, this was due to the fact that there were still projects for which the INR had been negotiated a long time ago. He emphasized that the present Administration of IICA had made a big effort to move the average rate of close to 5% in 2010 to the current 7% rate.
- 3.5.7.19 He then referred to scenarios posited and clarified that the Executive Committee was not being asked to make any decision on amendments to the 2015 budget, which had already been approved by the IABA. He said that he agreed with the countries on the need to identify additional financing options.
- 3.5.7.20 The Director General said that he had recently attended a meeting of the Permanent Council of the Organization of American States (OAS) and had submitted the 2013 report on the activities of IICA. He had received much commendation on the work that the Institute was doing and on its response to the needs of the countries in the areas of agriculture and rural development. He thanked member countries for their support for the 2014-2018 MTP proposal. That Plan adequately reflected their demands, sought to make the Institute more modern, efficient, transparent and results-based, and have it focus its resources on the delivery of more active technical cooperation that was capable of offering rapid responses. He said that the countries' position in asking for more time to analyze the Institute's financial situation and look for solutions was understandable, and he thanked them for the candid dialogue that had evolved throughout the meeting.
- 3.5.7.21 He reiterated that the Institute had gone to great lengths to effect savings and increase efficiency, but it had reached its limit. Because of this, at some point, IICA would have to reduce the technical cooperation it provided, even though it still

hoped that it would not get to that stage. He added that he was more than willing to provide the additional information that some members of the Executive Committee had requested. He acknowledged that it had not always been possible to respond effectively to the demands of Member States because of certain situations. For example, the need for the services of a food security specialist to spearhead specific activities in this topic had not been met; consideration of the issue of water, as had been requested at the last meeting of the IABA, had been postponed, because there was no specialist to address the topic; the number of international staff members had declined because of the need to use these funds to cover increases in operating costs; and the difficulty in attracting or retaining qualified personnel due to the fact that IICA salaries were at least 40% lower than OAS salaries. He added that in the previous year, it had become necessary to close the Miami office.

3.5.7.22 He went on to say that there were two items, which he recognized were complementary, that needed to be handled separately: one was the budget, which had stagnated in nominal terms over the past 20 years; the other was the INR. What this meant was that improving the INR would not resolve the budgetary situation.

3.5.7.23 With regard to the reference to South-South cooperation made by the representatives of Brazil, Chile and Uruguay, and the observer representatives of Argentina and Ecuador, this, he said, was an everyday task in IICA's operations. He stated that, effectively, institutions such as the European Union were interested in having the Institute execute projects that involved South-South cooperation initiatives. However, he said, it should be borne in mind that these types of initiatives involved external resources with fixed budgets and finite terms. He said there was no agency that financed this type of cooperation in the long term and it therefore had to be covered by the Institute's budget.

3.5.7.24 He thanked the members of the Executive Committee for the ongoing and open dialogue held during the meeting. He was pleased that options that had previously not been contemplated had come to light, and he expressed his willingness to seek a solution to the Institute's financial problem in conjunction with member countries.

3.6 *Close of the session*

3.6.1 The third plenary session of the Thirty-fourth Regular Meeting of the Executive Committee of IICA was adjourned at 12:40 hours on May 22, 2014.

FOURTH PLENARY SESSION

4.1 *Opening of the session*

4.1.1 The fourth plenary session of the Thirty-fourth Regular Meeting of the Executive Committee of the Inter-American Institute for Cooperation on Agriculture (IICA) was called to order at 14:35 hours on May 22, 2014. The meeting was chaired by Mr. Roland Bhola, Minister of Agriculture, Lands, Forestry, Fisheries and Environment of Grenada.

4.2 *Reading and approval of draft resolutions*

4.2.1 The Rapporteur read out the draft resolutions “Report of the 2014 Regular Meeting of the Special Advisory Commission on Management Issues (SACMI)”, “Allocation of resources for the 2015 Program Budget”, “Report on the collection of quotas”, “2013 Financial statements of the Inter-American Institute for Cooperation on Agriculture (IICA), Report of the External Auditors and Twentieth Report of the Audit Review Committee (ARC)”, “Appointment of External Auditors of the Inter-American Institute for Cooperation on Agriculture (IICA) and the Tropical Agriculture Research and Higher Education Center (CATIE) for the 2014-2015 biennium” and “Date and Venue of the Thirty-fifth Regular Meeting of the Executive Committee”. All resolutions were approved as read.

4.2.2 The Rapporteur read out the draft resolution “2014-2018 Medium-term Plan of the Inter-American Institute for Cooperation on Agriculture (IICA)”. The representatives of Brazil, Barbados and Trinidad and Tobago, as well as the Observer Representative of the United States of America, requested that the resolution specify that the recommendations made by the delegations during the discussion of the proposal would be incorporated into the MTP.

4.2.3 The Observer Representative of Ecuador felt it was important to include, as a procedure at the forthcoming meetings of the Executive Committee, the preparation of a technical report, which would be appended to the respective resolutions and which would also include the main observations made during the sessions for discussion of the resolutions.

4.2.4 The Technical Secretary and the Legal Advisor gave assurances that all recommendations would be included in the 2014-2018 MTP. The Technical

Secretary added that in approximately one week, delegations would be receiving the new adjusted version of the MTP. The decision was to approve the resolution with the specification that the pertinent adjustments would be made in the MTP to reflect the observations made by the representatives of the Member States.

- 4.3 *Draft resolution “Financial strengthening of the Inter-American Institute for Cooperation on Agriculture (IICA) for the implementation of the 2014-2018 Medium-term Plan (MTP)”*
- 4.3.1 The Representative of Canada suggested changing operative paragraph 4 to include subsection c which should state: “Update the methodology for adjusting the INR.” He also suggested changing “draft a proposal...” to “draft options for the financial strengthening” in operative paragraph 5. One of these paragraphs should include the option of “Zero” increase and its consequences.
- 4.3.2 The Representative of Chile agreed with Canada’s proposal regarding operative paragraph 4. However, he did not agree with his proposal regarding operative paragraph 5, since it was his understanding that there was explicit agreement in the Executive Committee on the need to strengthen IICA financially. He felt that discussion of this subject had been exhausted and that what was pending was determining how to achieve that strengthening. He therefore felt that what was needed were options aimed at facilitating the majority decision by the countries of bringing about that financial strengthening.
- 4.3.3 The Observer Representative of the United States of America supported both the proposal by Canada and the proposal by Chile.
- 4.3.4 The Observer Representative of Argentina supported Canada’s proposal in operative paragraph 4. He proposed that the INR could be updated with help from a group of countries, and that in doing this, a decision needed to be made about what cost items the INR should cover. With regard to operative paragraph 5, it was his understanding that the Executive Committee agreed on the need to strengthen IICA financially and what the Director General was being asked to do was present a proposal on how to do this.
- 4.3.5 The Representative of Brazil said that he agreed with improving the resolution and suggested that operative paragraph 4 open up the possibility of considering special cases by including a subparagraph c. in this regard. He proposed that in this

resolution, the Executive Committee support more forcibly the Director General's efforts to move forward with negotiations with the countries regarding a timeframe for increasing the INR and suggested adding a paragraph stating: "In the event that it is not possible to decide on a time frame with the country, the Director General shall inform the ministers of agriculture and the governments that the country is not applying the rules adopted by the governing bodies of IICA."

- 4.3.6 The Observer Representative of the United States seconded the proposals of Canada, Chile, Brazil and Argentina on the financial strengthening of IICA. With regard to operative paragraph 3 on the criteria for evaluating and accepting projects, he proposed considering as the criterion "being linked to the strategic objectives established in the 2014-2018 MTP".
- 4.3.7 The Director General proposed adding in operative paragraph 4: "Negotiate, *with the support of the countries*, the adoption of a timetable...", as evidence of the countries' position regarding the negotiation process. On the options proposed by Canada for operative paragraph 5, he felt that the resolution passed by the IABA at its last meeting (Argentina 2013) was clear with regard to the discussion of options for strengthening IICA's finances. He therefore felt that now was not the time to present options, but rather discuss with SACMI a proposal that would lead to that strengthening. He requested that all options be geared towards making the financial strengthening of IICA a reality.
- 4.3.8 The Representative of Brazil asked the Director General to suggest the specific wording for operative paragraph 4.a.
- 4.3.9 The Director General clarified that his intention was not that the Director General alone should negotiate the adoption of a timetable with Member States that had applied a lower INR than the established one, but rather that other Member States support him in the process.
- 4.3.10 The Representative of Mexico said that he agreed with strengthening the Institute, as reflected in the proposed resolution. He also said that his country supported the proposed 10.8 % increase in the quota. He further stated that he was willing to work with SACMI to prepare the aforementioned proposal in operative paragraph 5.

- 4.3.11 Following up on his previous comment and on the Director General's interpretation of it, the Representative of Canada clarified that he felt it was important to present options for the budgets in coming years.
- 4.3.12 The Observer Representative of Guyana recalled that at the Seventeenth Regular Meeting of the IABA, the ministers of agriculture had agreed on the need to identify options for the financial strengthening of IICA. They recognized, he said, that the frozen budget did not provide adequate financing for the Institute and expressed their willingness to consider making changes in the quota and agreed that at this meeting of the Executive Committee, options would be presented for the financial strengthening of IICA. He felt that the 2014-2018 MTP could not be fully implemented with the Institute's current budget. This meant that ways of increasing the budget had to be found by increasing efficiency, the INR or quotas. He ended by stating that it was imperative that IICA have an appropriate budget in order to fully implement the new MTP.
- 4.3.13 The representatives of Brazil, Canada and Mexico, the observer representatives of the United States of America and Argentina, and the Legal Advisor of the Institute formed a group to adjust the wording of paragraphs 3, 4 and 5 of the draft resolution.
- 4.3.14 The Legal Advisor read out the modified operative paragraphs of the draft resolution:
3. *To ask the Director General to submit a report for the observations and suggestions of the SACMI on the criteria established by the General Directorate for evaluation and acceptance of externally funded technical cooperation projects and to present said report for the consideration of the next meeting of the Executive Committee. These criteria should closely link the projects to the established strategic objectives and results established in the MTP.*
 4. *Request the Director General, with the objective of assuring a consistent INR policy in projects financed with external resources to:*
 - (a) *Conduct, in accordance with rule 3.5.2 of the Financial Rules, the annual study of the INR to ensure that the Institute's INR is*

commensurate with the actual costs of administering external resources in order to establish the annual rate.

- (b) Propose criteria, in compliance with paragraph 3 above, to deal with future projects with an INR that do not recover indirect costs;*
- (c) Present a report at the next Executive Committee meeting regarding the approval of projects and the INR applied.*

- 5. To ask the Director General, working with the SACMI, to draft options for the financial strengthening of the Institute and present them for consideration by the next Regular Meeting of the Executive Committee, with a view to submitting them to the next meeting of the IABA.*

4.3.15 The Observer Representative of Guyana said that he accepted the resolution as amended. He added that the options for financial strengthening that the Director General was being asked to present should focus on ensuring that IICA has the necessary resources to fully implement the 2014-2018 MTP.

4.3.16 The Chairman declared that the draft resolution was approved with the changes requested.

4.4 Other business

4.4.1 Report on IICA's situation in Colombia

4.4.1.1 The Technical Secretary gave an update of IICA's situation in Colombia in relation to the management of irrigation and drainage projects carried out under the *Agro Ingreso Seguro* (AIS) program.

4.4.1.2 The Observer Representative of Colombia read out a statement on the subject issued by the Foreign Ministry of Colombia.

4.4.2 Request for support from Canada

4.4.2.1 The Representative of Canada reported that the Codex Alimentarius Commission would meet in July to elect the next Chair of the Commission and that Canada had nominated a candidate for that position. The candidate was Mr. Samuel Godefroy, who had broad experience in the subject of food safety and who had

sat on various Codex Committees. He asked that the other member countries of IICA support Mr. Godefroy's candidature.

4.4.3 Remarks by the representatives of Brazil and Guyana

4.4.3.1 The Representative of Brazil commended the Director General on the way in which he had organized the meetings of the governing bodies of the Institute, which had been held in a climate of transparency and open dialogue. He also pointed to the role that IICA played as a mechanism for liaison between donors and recipients. He suggested that countries like Canada and the United States of America cooperate with other countries, using the Institute as an intermediary.

4.4.3.2 The Observer Representative of Guyana reiterated that he supported the remarks and proposals in relation to the budget, which would enable IICA to implement the 2014-2018 MTP in the best possible manner.

4.5 Close of the session

4.5.1 The fourth plenary session of the Thirty-fourth Regular Meeting of the Executive Committee of IICA was adjourned at 17:26 hours on May 22, 2014.

CLOSING SESSION

5.1 *Opening of the session*

- 5.1.1 The closing session for the Thirty-fourth Regular Meeting of the Executive Committee of the Inter-American Institute for Cooperation on Agriculture (IICA) was called to order at 17:30 hours on May 22, 2014. The session was chaired by Mr. Roland Bhola, Minister of Agriculture, Lands, Forestry, Fisheries and Environment of Grenada.
- 5.1.2 The Observer Representative of Guyana congratulated all of the members of the Executive Committee on the work accomplished. He also congratulated the Chairman on his excellent stewardship of the meeting.
- 5.1.3 The Observer Representative of the United States of America joined the Observer Representative of Guyana in extending congratulations, noting that the meeting had been highly productive. He also expressed appreciation for the cooperation he had received during the meeting.

5.2 *Remarks by the Chairman of the Executive Committee*

- 5.2.1 The Chairman said he was pleased to have represented the Government of Grenada and thanked Mr. Leslie Ramsammy, Minister of Agriculture of Guyana, for proposing that he chair this meeting of the Executive Committee. He then went on to thank the Director General of IICA and the presiding officers of the meeting. He said he was pleased because the meeting objectives had been met, and expressed the desire to meet with all again to discuss topics of interest for the development of agriculture in the countries.

5.3 *Remarks by the Director General of IICA*

- 5.3.1 The Director General highlighted the work of the Chairman of the Executive Committee whose skillfulness in steering the meeting had made it possible to move forward in topics that were important for the Institute. He thanked all present for their support in making IICA a more solid and useful organization for the agricultural sector.

- 5.3.2 He acknowledged with satisfaction the positive attitude to the proposed 2014-2018 MTP displayed by the representatives of Member States. He thanked them for their comments and assured them that the pertinent adjustments would be made in the MTP based on those comments. Next, he called upon the members of the Executive Committee to work with IICA on the financial strengthening of the Institute, so that the decisions taken there at the meeting might be concretized and a proposal on this topic presented to the IABA at its next meeting.
- 5.3.3 He thanked the entire staff of IICA, the Chairman of the meeting, the Rapporteur and the translators and interpreters. Finally, he acknowledged with appreciation the interest shown by members of the Executive Committee who had agreed to hold a meeting of the SACMI afterwards to prepare a working agenda immediately, based on the recommendations emanating from that Executive Committee.
- 5.4 *Close of the session*
- 5.4.1 The closing session for the Thirty-fourth Regular Meeting of the Executive Committee of IICA was adjourned at 17:40 hours on May 22, 2014.

RESOLUTIONS

RESOLUTIONS

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IICA/CE/Res. 581 (XXXIV-O/14)

22 May 2014

Original: Spanish

RESOLUTION No. 581

**2013 ANNUAL REPORT OF THE INTER-AMERICAN INSTITUTE FOR
COOPERATION ON AGRICULTURE (IICA)**

The EXECUTIVE COMMITTEE, at its Thirty-fourth Regular Meeting,

HAVING SEEN:

Document IICA/CE/Doc. 630 (14), “2013 Annual Report of the Inter-American Institute for Cooperation on Agriculture (IICA),”

CONSIDERING:

That Article 4.f of the Rules of Procedure of the Executive Committee establishes that this governing body of IICA is to receive, analyze and approve the annual report on the activities of the General Directorate and take appropriate action;

That the General Directorate prepared and published the 2013 Annual Report of IICA, which was presented by the Director General of the Institute to the Permanent Council of the Organization of American States (OAS) on May 14, 2014;

That the report describes the cooperation activities carried out by IICA in 2013 for the purpose of implementing the cooperation agendas of the Institute at the national, regional and hemispheric levels, within the framework of IICA’s 2010-2014 Medium-term Plan;

That the Representatives of the Institute in each of its 34 Member States presented to the national authorities the respective report on the cooperation that IICA provided to the country in 2013; and,

That the Annual Report for 2013 is available for consultation in digital format on the Institute’s website (www.iica.int),

RESOLVES:

To approve the 2013 Annual Report of IICA.

IICA/CE/Res. 582 (XXXIV-O/14)

22 May 2014

Original: Spanish

RESOLUTION No. 582

**STATUS OF THE RESOLUTIONS OF THE SEVENTEENTH REGULAR MEETING
OF THE INTER-AMERICAN BOARD OF AGRICULTURE (IABA) AND THE
THIRTY-THIRD REGULAR MEETING OF THE EXECUTIVE COMMITTEE**

The EXECUTIVE COMMITTEE, at its Thirty-fourth Regular Meeting,

HAVING SEEN:

Document IICA/CE/Doc. 633 (14), “Status of the Resolutions of the Seventeenth Regular Meeting of the Inter-American Board of Agriculture (IABA),” and Document IICA/CE/Doc. 632 (14), “Status of the Resolutions of the Thirty-third Regular Meeting of the Executive Committee,”

CONSIDERING:

That the abovementioned status reports demonstrate that the General Directorate of the Inter-American Institute for Cooperation on Agriculture (IICA) has complied with the resolutions adopted at the Seventeenth Regular Meeting of the IABA, and has carried out satisfactorily the tasks required to comply with the resolutions adopted at the Thirty-third Regular Meeting of the Executive Committee,

RESOLVES:

To accept the reports: (i) “Status of the Resolutions of the Seventeenth Regular Meeting of the Inter-American Board of Agriculture (IABA)”;

and (ii) “Status of the Resolutions of the Thirty-third Regular Meeting of the Executive Committee.”

IICA/CE/Res. 583 (XXXIV-O/14)

21 May 2014

Original: Spanish

RESOLUTION No. 583**BIENNIAL REPORT OF THE CARIBBEAN AGRICULTURAL RESEARCH AND
DEVELOPMENT INSTITUTE (CARDI) FOR 2012-2013**

The Executive Committee, at its Thirty-fourth Regular Meeting,

HAVING SEEN:

The presentation made by the Caribbean Agricultural Research and Development Institute (CARDI) on the report of its activities during the 2012-2013 biennium,

CONSIDERING:

That, under the terms of the agreement currently in force between the Inter-American Institute for Cooperation on Agriculture (IICA) and CARDI, the latter organization must submit an annual report on its activities; and

That, by means of Resolution IICA/JIA/Res. 440 (XIV-O/07), the Inter-American Board of Agriculture (IABA) delegated to the Executive Committee responsibility for receiving and analyzing CARDI's reports and plans and requested that, in future, the Executive Director of that Institute forward directly to the General Directorate of IICA the version of CARDI's biennial report and plans for the acceptance of the Executive Committee,

RESOLVES:

1. To accept the report on the activities implemented by CARDI during the 2012-2013 biennium and to thank CARDI for its presentation.
2. To urge IICA and CARDI to continue to strengthen their technical links and mechanisms for implementing joint activities, with a view to enhancing the contribution of the two institutions in support of agricultural and rural development efforts in the Caribbean.

IICA/CE/Res. 584 (XXXIV-O/14)

22 May 2014

Original: Spanish

RESOLUTION No. 584

**BIENNIAL REPORT OF THE TROPICAL AGRICULTURE RESEARCH AND
HIGHER EDUCATION CENTER (CATIE) FOR 2012-2013**

The EXECUTIVE COMMITTEE, at its Thirty-fourth Regular Meeting,

HAVING SEEN:

The presentation on the “Biennial Report of the Tropical Agriculture Research and Higher Education Center (CATIE) for 2012-2013”,

CONSIDERING:

That, by means of Resolution IICA/JIA/Res. 441 (XIV-O/07), the Inter-American Board of Agriculture (IABA) delegated to the Executive Committee responsibility for receiving and analyzing the reports and plans of the Tropical Agriculture Research and Higher Education Center (CATIE) and requested that, in future, the Director General of this Center forward directly to the General Directorate of IICA the version of the biennial report and plans of CATIE for the acceptance of the Executive Committee; and

That, by means of Resolution IICA/CE/Res. 550 (XXXI-O/11), the Executive Committee accepted the “IICA-CATIE 2011-2014 Program for Joint Action,”

RESOLVES:

1. To accept CATIE’s biennial report for 2012-2013 and thank the Director General of the Center for his presentation.
2. To urge IICA and CATIE to continue to strengthen their links and mechanisms for implementing the activities of the Program for Joint Action, with a view to enhancing the contribution of the two institutions in support of the efforts of the Member States to achieve competitive, sustainable and inclusive agricultural development.

IICA/CE/Res. 585 (XXXIV-O/14)

22 May 2014

Original: Spanish

RESOLUTION No. 585**REPORT OF THE REPRESENTATIVE OF THE INTER-AMERICAN BOARD OF AGRICULTURE (IABA) ON THE GOVERNING COUNCIL OF THE TROPICAL AGRICULTURE RESEARCH AND HIGHER EDUCATION CENTER (CATIE) FOR THE PERIOD 2013-2014**

The EXECUTIVE COMMITTEE, at its Thirty-fourth Regular Meeting,

HAVING SEEN:

The report of the United States of America, in its capacity as the Representative of the Inter-American Board of Agriculture (IABA) on the Governing Council of the Tropical Agriculture Research and Higher Education Center (CATIE) covering the period 2013-2014,

CONSIDERING:

That, in accordance with the Law establishing CATIE, the IABA is that Center's highest governing body and has the right to appoint a Representative to sit on the Governing Council of CATIE with the right to vote;

That, in accordance with IABA Resolution IICA/JIA/Res. 461 (XV-O/09), the United States of America was designated to serve as the Representative of the IABA on the Governing Council of CATIE during the period 2013-2014;

That the Executive Committee, by means of Resolution IICA/CE/Res. 532 (XXX-O/10), recommended to the IABA that its Representative on the Governing Council of CATIE, in carrying out the mandate of that governing body, should ensure the strengthening of the joint work with the Inter-American Institute for Cooperation on Agriculture (IICA); and,

That the Executive Committee, by means of Resolution IICA/CE/Res. 543 (XXXI-O/11) approved the responsibilities of the Representative of the IABA on the

Governing Council of CATIE, which include the presentation of annual report of his work to the Executive Committee and the Director General of IICA,

RESOLVES:

1. To accept the report of the United States of America and thank that country for its work as the Representative of the IABA on the Governing Council of CATIE during the period 2013-2014; and,
2. To task the Director General of IICA with presenting to the Eighteenth Regular Meeting of the IABA, scheduled to be held in Mexico in 2015, the report of the Representative of the IABA on the Governing Council of CATIE for the period 2013-2014.

IICA/CE/Res. 586 (XXXIV-O/14)

22 May 2014

Original: Spanish

RESOLUTION No. 586**REPORT OF THE 2014 REGULAR MEETING OF THE SPECIAL ADVISORY
COMMISSION ON MANAGEMENT ISSUES (SACMI)**

The EXECUTIVE COMMITTEE, at its Thirty-fourth Regular Meeting,

HAVING SEEN:

Document IICA/CE/Doc. 631 (14), “Report of the 2014 Regular Meeting of the Special Advisory Commission on Management Issues (SACMI)”,

CONSIDERING:

That the purpose of the SACMI, as a standing commission of the Executive Committee, is to advise the Director General to promote more regular discussion with the Member States on administrative, financial and strategic issues, in order to facilitate the process of reaching consensus in the Executive Committee and in the Inter-American Board of Agriculture (IABA); and

That the above-referenced report of the SACMI contains recommendations for the consideration of the Director General and the Executive Committee,

RESOLVES:

To accept the Report of the 2014 Regular Meeting of the SACMI.

IICA/CE/Res. 587 (XXXIV-O/14)

22 May 2014

Original: Spanish

RESOLUTION No. 587

ALLOCATION OF RESOURCES FOR THE 2015 PROGRAM BUDGET

The EXECUTIVE COMMITTEE, at its Thirty-fourth Regular Meeting,

HAVING SEEN:

Document IICA/JIA/Doc. 625 (14), “Proposed 2015 Program Budget,”

CONSIDERING:

That the Convention on the Inter-American Institute for Cooperation on Agriculture (IICA) establishes:

- i) In Article 8.b, that a function of the Inter-American Board of Agriculture (IABA) is to “approve the biennial Program Budget and to determine the annual quotas of the Member States by the affirmative vote of two thirds of its members”;
- ii) In Article 23, that “the Member States shall contribute to the maintenance of the Institute through annual quotas established by the Board, in accordance with the system for calculating quotas of the Organization of American States”;

That the IABA, at its Seventeenth Regular Meeting, by means of Resolution IICA/JIA/Res. 485 (XVII-O/13), decided to:

- i) Approve the amount of USD33,910,000 from the Regular Fund annually as the 2014-2015 Program Budget of the Institute, financed with quota contributions from the Member States totaling USD27,810,000 per year, and USD6,100,000 per year in miscellaneous income, consisting of USD3,500,000 estimated to be generated annually and the use of up to

USD2,600,000 per year of the resources of the Miscellaneous Income Fund;
and,

- ii) Instruct the Director General to present to the consideration of the Executive Committee at its Thirty-fourth Regular Meeting, a draft budget of expenditures of the funds approved for the 2015 Program Budget, consistent with the priorities of the new Medium-term Plan of the Institute;

That the Director General submitted the proposed 2015 Program Budget in a format consistent with the structure and content established in the rules currently in effect and in Resolution IICA/JIA/Res. 485 (XVII-O/13),

RESOLVES:

To approve the detailed allocation of regular resources for the 2015 Program Budget in accordance with the allocations for each of the chapters, headings and priorities specified in Document IICA/CE/Doc. 625 (14), "Proposed 2015 Program Budget." The summary of allocations by Chapter is attached as "Annex A."

ANNEX A
Allocation of the Regular Fund by Chapter - 2015
(USD)

CHAPTER	2015			
	QUOTAS	MISCELLANEOUS	REGULAR FUND	
			US\$	%
I: Direct Technical Cooperation Services	24.877.351	5.805.664	30.683.015	90,5%
II: Management Costs	1.563.739	65.438	1.629.177	4,8%
III: General Cost and Provisions	1.260.000	20.000	1.280.000	3,8%
IV: Renewal of Infrastructure and Equipment	108.910	208.898	317.808	0,9%
TOTAL	27.810.000	6.100.000	33.910.000	100,0%

IICA/CE/Res. 588 (XXXIV-O/14)

22 May 2014

Original: Spanish

RESOLUTION No. 588**REPORT ON THE COLLECTION OF QUOTAS**

The EXECUTIVE COMMITTEE, at its Thirty-fourth Regular Meeting,

HAVING SEEN:

Document IICA/CE/Doc. 626 (14), “Report on the collection of quotas”,

CONSIDERING:

That, at its Thirteenth Regular Meeting, the Inter-American Board of Agriculture (IABA), by means of Resolution IICA/JIA/Res. 414 (XIII-O/05), adopted the document “Revised measures for collecting quotas owed to the Institute”;

That, thanks to the effectiveness of the measures adopted, the goodwill and support of the ministers of agriculture and other authorities in the Member States, as well as the efforts of the General Directorate, it has been possible to reduce considerably the total amount of quotas owed to the Inter-American Institute for Cooperation on Agriculture (IICA); and,

That the above has facilitated the implementation of the programs and projects included in the cooperation strategies established in the 2010-2014 Medium-term Plan of IICA at the national, regional and hemispheric levels,

RESOLVES:

1. To thank the ministers of agriculture and foreign affairs, as well as other high-level government officials in IICA’s Member States, for the efforts they have been making to honor their annual quota payments to the Institute.

2. To acknowledge the importance of maintaining in effect the measures established by the Executive Committee and the IABA to encourage IICA's Member States to make their annual quota payments to the Institute in a timely fashion and to pay arrears for previous years.
3. To instruct the Director General to: (a) continue efforts to collect the quotas for 2014 and those owed for previous years; and, (b) keep IICA's Member States informed of progress in this area.
4. To urge the Member States to remain current with the payment of their quotas to the Institute, and those that are in arrears, to follow through with the plans agreed to meet their financial obligations to IICA.

IICA/CE/Res. 589 (XXXIV-O/14)

22 May 2014

Original: Spanish

RESOLUTION No. 589**2013 FINANCIAL STATEMENTS OF THE INTER-AMERICAN INSTITUTE
FOR COOPERATION ON AGRICULTURE (IICA), REPORT OF THE
EXTERNAL AUDITORS AND TWENTIETH REPORT OF THE AUDIT
REVIEW COMMITTEE (ARC)**

The EXECUTIVE COMMITTEE, at its Thirty-fourth Regular Meeting,

HAVING SEEN:

Document IICA/CE/Doc. 627 (14), “2013 Financial Statements of IICA and Report of the External Auditors”, and Document IICA/CE/Doc. 629 (14), “Twentieth Report of the Audit Review Committee (ARC)”,

CONSIDERING:

That Article 4.d of the Rules of Procedure of the Executive Committee establishes that the mandate of this governing body of the Inter-American Institute for Cooperation on Agriculture (IICA) is to study the Institute’s financial statements and, when a decision is required, forward the corresponding report and recommendations to the Inter-American Board of Agriculture (IABA);

That, at its Seventh Regular Meeting, the IABA, by Resolution IICA/JIA/Res. 231 (VII-O/93), created the Audit Review Committee (ARC) and approved its Statute;

That, pursuant to Article 3.k of the Rules of Procedure of the Executive Committee, the mandate of this governing body of IICA is to receive and approve the ARC’s reports and make a determination on its recommendations, and

That, in its Twentieth Report, the ARC states that it studied the report of the external auditors on IICA’s 2013 financial statements and found the work performed to be thorough and in accordance with the rules of the Institute and international auditing standards;

RESOLVES:

1. To accept the 2013 financial statements of IICA and the report of the external auditors, and to instruct the Director General to submit them to the Eighteenth Regular Meeting of the IABA.
2. To approve the Twentieth Report of the ARC and instruct the Director General to implement the recommendations contained therein.
3. To thank the members of the ARC for the work accomplished.

IICA/CE/Res. 590 (XXXIV-O/14)

22 May 2014

Original: Spanish

RESOLUTION No. 590**APPOINTMENT OF EXTERNAL AUDITORS OF THE INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA) AND THE TROPICAL AGRICULTURE RESEARCH AND HIGHER EDUCATION CENTER (CATIE) FOR THE 2014-2015 BIENNIUM**

The EXECUTIVE COMMITTEE, at its Thirty-fourth Regular Meeting,

CONSIDERING:

That Article 100 of the Rules of Procedure of the General Directorate of the Inter-American Institute for Cooperation on Agriculture (IICA) establishes that the Executive Committee shall appoint external auditors to perform the tasks specified in Chapter VII of said Rules of Procedure;

That a special committee comprising representatives of the General Directorate, with the participation of the Tropical Agriculture Research and Higher Education Center (CATIE), reviewed proposals submitted by five well-recognized auditing firms and concluded that the firm of Deloitte & Touche S.A. had presented the best proposal in terms of quality and cost; and,

That, based on said review, the Director General of IICA recommends that the Executive Committee appoint the firm of Deloitte & Touche S.A. as the external auditors of IICA and CATIE for the period 2014-2015,

RESOLVES:

To appoint the firm of Deloitte & Touche S.A. as the external auditors of IICA and CATIE for the 2014-2015 biennium, a period that may be extended by the Director General for an additional two years.

IICA/CE/Res. 591 (XXXIV-O/14)

22 May 2014

Original: Spanish

RESOLUTION No. 591

**DATE AND VENUE OF THE THIRTY-FIFTH REGULAR MEETING OF THE
EXECUTIVE COMMITTEE**

The EXECUTIVE COMMITTEE, at its Thirty-fourth Regular Meeting,

HAVING SEEN:

Document IICA/CE/Doc. 634 (14), “Date and Venue of the Thirty-fifth Regular Meeting of the Executive Committee”,

CONSIDERING:

That, pursuant to Article 22 of the Rules of Procedure of the Executive Committee, that governing body of the Inter-American Institute for Cooperation on Agriculture (IICA) must hold one regular meeting each year. Therefore the date and venue of the Thirty-fifth Regular Meeting of the Executive Committee in 2015 must be set;

That, in accordance with Article 25 of these Rules of Procedure, if no venue is offered by one of the Member States of the Institute to hold the regular meeting of the Executive Committee in that country, the meeting will be held at IICA Headquarters in San Jose, Costa Rica; and

That the Director General of IICA reports that he has received no formal offer from a Member State to host the next Regular Meeting of the Executive Committee,

RESOLVES:

1. To hold the Thirty-fifth Regular Meeting of the Executive Committee at IICA Headquarters in San Jose, Costa Rica, during the first half of 2015.

2. To instruct the Director General to issue the convocation, in due course, to the Member States to participate in the Thirty-fifth Regular Meeting of the Executive Committee, in accordance with the procedures outlined in the rules currently in effect.

IICA/CE/Res. 592 (XXXIV-O/14)

21 May 2014

Original: Spanish

RESOLUTION No. 592

**2014-2018 MEDIUM-TERM PLAN OF THE INTER-AMERICAN INSTITUTE FOR
COOPERATION ON AGRICULTURE (IICA)**

The EXECUTIVE COMMITTEE, at its Thirty-fourth Regular Meeting,

HAVING SEEN:

Document IICA/CE/Doc. 624 (14), “2014-2018 Medium-term Plan,”

CONSIDERING:

That the Inter-American Board of Agriculture (IABA) adopted Resolution IICA/JIA/Res. 481 (XVII-O/13), in which it instructed the Director General to prepare IICA’s Medium-term Plan (MTP) for the period 2014-2018 and authorized the Executive Committee to approve the plan at its Thirty-fourth Regular Meeting, along with any adjustments to the Institute’s 2014-2015 Program Budget required to implement it;

That, in preparing the 2014-2018 MTP, the Director General used as basic guidelines: (i) the resolutions in force of the IABA and of the Executive Committee; and (ii) the guidelines for the actions of the Institute contained in IICA’s 2010-2020 Strategic Plan;

That, as recommended by the Member States, in preparing the 2014-2018 MTP the Director General facilitated a process of consultation with them;

That the 2014-2018 MTP proposes a renewed vision for the delivery of cooperation services at the hemispheric, regional, multinational and national levels, harnessing IICA’s competitive and comparative advantages to achieve more results on behalf of all its Member States.

That the 2014-2018 MTP calls for the adoption of a results-based management approach; in other words, working to ensure that the technical cooperation provided by the Institute contributes to the attainment, in the hemisphere in general and in each of the member countries, of the objectives established in the 2010-2020 Strategic Plan;

That the Director General presented the first version of the 2014-2018 MTP to the 2014 Regular Meeting of the Special Advisory Committee on Management Issues (SACMI) held on March 27, 2014, which recommended certain adjustments to the MTP that were incorporated by the General Directorate; and,

That the members of the Executive Committee and other Member States taking part in the meeting have expressed general satisfaction with the version of the 2014-2018 MTP presented by the Director General, and offered constructive suggestions for incorporation into the document and for its implementation;

RESOLVES:

1. To approve IICA's 2014-2018 Medium-term Plan (MTP) as the frame of reference for the Institute's actions during the period in question, and to instruct the Director General to incorporate the suggestions made by the Member States.
2. To express satisfaction with the broad participation promoted in the Member States during the process of preparing the 2014-2018 MTP and, in particular, to express appreciation for the constructive comments received in the SACMI and in this meeting.

IICA/CE/Res. 593 (XXXIV-O/14)

22 May 2014

Original: English

RESOLUTION No. 593

**FINANCIAL STRENGTHENING OF THE INTER-AMERICAN INSTITUTE FOR
COOPERATION ON AGRICULTURE (IICA) FOR THE IMPLEMENTATION OF
THE 2014-2018 MEDIUM-TERM PLAN (MTP)**

The EXECUTIVE COMMITTEE, at its Thirty-fourth Regular Meeting,

HAVING SEEN:

Document IICA/CE/Doc. 628 (14), “Proposals for the financial strengthening of the Inter-American Institute for Cooperation on Agriculture (IICA)” and Document IICA/CE/Doc. 624 (14), “Proposal for the 2014-2018 Medium Term Plan”

CONSIDERING:

That the quota contributions of the Member States have not been increased since 1995 and that the resources available in the Miscellaneous Income Fund that complement the quota contributions are being depleted, which limits the financial strengthening of the Institute;

That, by means of Resolution IICA/JIA/Res. 491 (XVII-O/13), the Inter-American Board of Agriculture (IABA) asked the Director General to submit to the consideration of the Executive Committee, at its next regular meeting, subsequent to consultation with the Special Advisory Commission on Management Issues (SACMI), proposals that reflect the current financial situation of the Institute as well as recommendations for its financial strengthening, and that the Director General complied with that request;

That the 2014-2018 Medium Term Plan (MTP) will be financed with the current budget of the Regular Fund (quotas and miscellaneous income), with the corresponding scope, scale, coverage and impact;

That, in order to support the implementation and expand the coverage of the technical cooperation actions established in the 2014-2018 MTP and to strengthen institutional management, it is necessary to promote efforts to secure more financial resources;

That the Director General has informed the Member States that the additional resources required to bolster the implementation of the new MTP are estimated to be USD 3,000,000 applicable one time only in the period 2015-2018, equivalent to a 10.8% increase in quotas and, for subsequent years, a 3.6% increase in Member State quotas to cover the effect of inflation on the Regular Fund equivalent to 3.0% per year, and that some Member States have expressed support for the strengthening of the Regular Fund by means of an increase in quotas;

That it is important to receive the support of the Member States to implement the Institutional Net Rate (INR) policy, currently set at 8.1%, in order to finance the proportion of the Institute's indirect costs that should be covered by external resources to prevent the erosion of the Regular Fund;

That the Member States have pointed out the need to ensure that the externally funded projects promote and match the four objectives established in the 2014-2018 MTP and contribute fully to the achievement of the results indicated in the Plan; and,

That the Director General has indicated at this meeting his desire to present to the Member States at the next meetings of the SACMI and Executive Committee further ideas and recommendations for the strengthening of the Institute;

RESOLVES:

1. To urge the Member States to make additional voluntary contributions as over-quotas in order to strengthen the Regular Fund and the implementation of the 2014-2018 MTP.
2. To ask the Director General to continue to promote and secure additional resources to strengthen the technical and management capabilities of the Institute for the implementation of the 2014-2018 MTP from the associate countries, permanent observers, donor countries, companies, foundations,

funding agencies, third countries with which IICA has signed cooperation agreements and other possible contributors.

3. To ask the Director General to submit a report for the observations and suggestions of the SACMI on the criteria established by the General Directorate for evaluation and acceptance of externally funded technical cooperation projects and to present said report for the consideration of the next meeting of the Executive Committee. These criteria should closely link the projects to the established strategic objectives and results established in the MTP.
4. Request the Director General, with the objective of assuring a consistent INR policy in projects financed with external resources to:
 - (a) Conduct, in accordance with rule 3.5.2 of the Financial Rules, the annual study of the INR to ensure that the Institute's INR is commensurate with the actual costs of administering external resources in order to establish the annual rate.
 - (b) Propose criteria, in compliance with paragraph 3 above, to deal with future projects with an INR that do not recover indirect costs.
 - (c) Present a report at the next Executive Committee meeting regarding the approval of projects and the INR applied.
5. To ask the Director General, working with the SACMI, to draft options for the financial strengthening of the Institute and present them for consideration by the next Regular Meeting of the Executive Committee, with a view to submitting them to the next meeting of the IABA.

SIGNING OF THE REPORT

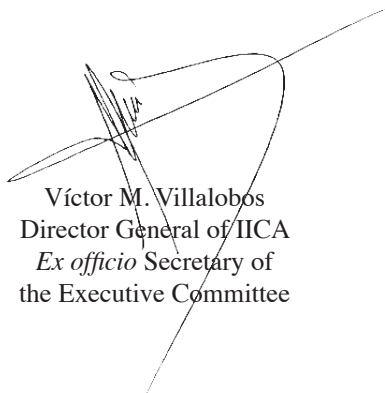
SIGNING OF THE REPORT OF THE THIRTY-FOURTH REGULAR MEETING OF THE EXECUTIVE COMMITTEE

Pursuant to the provisions of Article 97 of the Rules of Procedure of the Executive Committee, the Report of the Thirty-fourth Regular Meeting of the Executive Committee is hereby signed at 17:00 hours on the twenty-second day of May of the year two thousand and fourteen, in San José, Costa Rica.

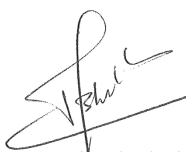
This report will be edited by the Secretariat and the changes approved during the Closing Session will be included before it is published in the four official languages of the Inter-American Institute for Cooperation on Agriculture (IICA), in the Official Documents Series, all versions being equally authentic and valid.

The Secretariat shall file the original texts in the archives of the Institute, post the electronic files on the Institute's Web page and send the final version of this report to the governments of the Member States, the Associate States, the Permanent Observers of the Institute and other participants in the meeting.

San José, Costa Rica.



Víctor M. Villalobos
Director General of IICA
Ex officio Secretary of
the Executive Committee



Roland Bhola
Minister of Agriculture,
Lands, Forestry, Fisheries and
Environment of Grenada,
Chair of the 2014 Executive Committee

ANNEXES

ANNEX 1: PROVISIONAL AGENDA

IICA/CE/Doc. 623 (14)

- 1. Provisional Schedule** IICA/CE/Doc. 622 (14)
- 2. Message from the Director General**
 - 2.1 Proposal for the 2014-2018 Medium Term Plan IICA/CE/Doc. 624 (14)
- 3. Financial strengthening of the Institute**
 - 3.1 2015 Program-budget IICA/CE/Doc. 625 (14)
 - 3.2 Report on the collection of quotas IICA/CE/Doc. 626 (14)
 - 3.3 2013 Financial Statements of the Institute and Report of the External Auditors IICA/CE/Doc. 627 (14)
 - 3.4 Proposals for the recovery of the financial capacity of IICA IICA/CE/Doc. 628 (14)
 - 3.5 Twentieth Report of the Audit Review Committee (ARC) IICA/CE/Doc. 629 (14)
- 4. Strengthening of Strategic Partnerships with other Institutions**
 - 4.1 2012-2013 Report of the Caribbean Agricultural Research and Development Institute (CARDI) (unnumbered)
 - 4.2 2012-2013 Report of the Tropical Agriculture Research and Higher Education Center (CATIE) (unnumbered)
- 5. Activities of the General Directorate and the Governing Bodies**
 - 5.1 Report on the work of the Representative of the IABA to the Governing Council of CATIE (unnumbered)
 - 5.2 2013 IICA Annual Report IICA/CE/Doc. 630 (14)

- | | | |
|-----|--|-----------------------|
| 5.3 | Report of the 2014 Regular Meeting of the Special Advisory Commission on Management Issues (SACMI) | IICA/CE/Doc. 631 (14) |
| 5.4 | Status of the resolutions of the Thirty-third Regular Meeting of the Executive Committee | IICA/CE/Doc. 632 (14) |
| 5.5 | Status of the resolutions of the Seventeenth Regular Meeting of the IABA | IICA/CE/Doc. 633 (14) |
| 5.6 | Date and Venue of the Thirty-fifth Regular Meeting of the Executive Committee | IICA/CE/Doc. 634 (14) |

6. Other Business

ANNEX 2: LIST OF PARTICIPANTS

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ANNEX 3: MEETING STAFF

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Services for delegates

Registration and secretariat

Wendy Esquivel

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Leticia Giménez

Assistance at the airport

Randy Alexander
Ronald Hidalgo
Marlon Rodríguez

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